



# **Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)**

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**Final Report**



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**Final Report**

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## **Abstract**

In order to reduce the administrative burden, respect the principle of proportionality, ensure sound financial management, and facilitate the implementation of the European Structural and Investment (ESI) Funds both for the Member States and the beneficiaries, the Common Provisions Regulation establishes a set of thresholds and limits on administrative requirements for operations benefitting from ESI Funds.

Modelling the impact of these new thresholds at the level of the operations with existing data was problematic as data was only available at an aggregate level. Therefore, the European Commission initiated this study to establish a database and subsequently analyse operation-level data from Operational Programmes supported by the ERDF and CF under the 2007-2013 programming period. Where possible, data that could not be collected was estimated.

The assembled database was then used to analyse the distribution of operations, both in terms of the number of operations and their total cost, around six thresholds. This analysis was also applied to show the impact based on other criteria, including category of region, priority theme, territorial dimension, and for individual Member States. Finally, sensitivity analyses were conducted to analyse the impact that any potential changes in the thresholds would have on these parameters.



## **Executive summary**

### **Objective**

The use of European Structural and Investment (ESI) Funds plays an important role in helping the Member States of the EU (MS) achieve the objectives of the Europe 2020 strategy. In order to ensure that operations co-financed by the ESI Funds are implemented in accordance with the principles of sound financial management, EU Regulations set out minimum requirements for reporting and efficient management and control systems. These include rules on management verifications and audit and inter alia require Managing Authorities (MAs) and beneficiaries to record multiple pieces of information for each operation.

However, the act of complying with these control and reporting systems understandably implies costs for MAs and beneficiaries, as it entails performing administrative tasks. The legislative framework applicable to ESI Funds for the 2014-2020 period emphasises the principle of proportionality and the necessity to reduce administrative costs and burdens placed upon MAs and, in particular, beneficiaries.

In line with the principle of proportionality, the Common Provisions Regulation (CPR) establishes several new limits and thresholds in order to reduce administrative costs and burden in relation to monitoring, reporting, evaluation, management, and control. A number of these are linked to the financial volume of operations.

Given that the Commission only had access to aggregate data at the priority axis level of the Operational Programmes (OP), it was very difficult to assess the potential effects of thresholds with a view to reduce administrative costs and burden.

Therefore, DG REGIO sought to address this limitation by developing a representative and comprehensive database for all the operations financed by the ERDF and CF in the 2007-2013 period. This database was then used to produce simulations on the impact of six specified thresholds in order to assess whether these will help contribute to the reduction of the administrative burden and costs related to the support from ESIF.

<b>Threshold No.</b>	<b>Parameter assessed</b>	<b>Level of the threshold</b>
1	Total cost (revenue generating operations after completion)	EUR 1,000,000
2	Total cost (revenue generating operations during their implementation)	EUR 50,000
3	Total cost (major projects)	EUR 50,000,000 or EUR 75,000,000 if TO7
4	Total eligible expenditure (availability of documents)	EUR 1,000,000
5	Total eligible expenditure (maximum number of audits)	EUR 200,000
6	Amounts to be recovered	EUR 250

### **Data collected**

Of the 322<sup>1</sup> OPs supported by the ERDF and CF in the 2007-2013 period, data on completed operations for 261 OPs was collected from their relevant Managing Authorities and stored into a database. These OPs, for which data on completed operations was collected, represent 80% of all funding support under ERDF and CF for the 2007-2013 period. For each operation, data on the following parameters was requested: total cost, total eligible expenditure, amounts to be recovered, revenue deducted, category of region, priority theme, territorial dimension, and form of finance.

Data for operations in 59 OPs were not collected within the allocated timeframe. For 35 of these OPs the requests for data were simply not answered and for 14 of these the data request was refused. 10 of the OPs for which a request for data was denied, were in Germany. In addition, the data collected covers only those operations which were completed by mid-2015. As such the database is not 100% complete.

However, given the very large sample size relative to the total population, the dataset collected can still be considered as a statistically significant sample of operations funded by ERDF and CF in the 2007-2013 programming period.

In order to increase the usefulness of the database and give a more comprehensive estimate of the effects of the six thresholds under investigation in this study, the total cost, number of operations, and their distribution were estimated for the 59 missing OPs. Furthermore, since category of region is assigned at the OP level, it was possible to assign this parameter to our estimated data as well. However, it was not possible to include estimates for the fields of priority theme, form of finance and territorial dimension. This is because their distributions vary substantially from OP to OP as well as from MS to MS, making it impossible to accurately estimating any distribution of these fields for the missing OPs. As such analyses regarding these fields were conducted using observed data only.

### **Analysis**

With the collected data now stored in the database, it was possible to reliably model the distribution of operations above and below the six thresholds. This distribution was also modelled at the level of the whole dataset as well as across several parameters: by Member States, by Category of Region, by Priority Theme, and by Territorial Dimension.

This threshold analysis was also complemented through a sensitivity analysis whereby the effects of raising or lowering the six thresholds were modelled for each of the six thresholds at the level of the Member States. The findings of this can be found in Section 3.2.9 for Threshold 6 (amounts to be recovered), and in Appendix D for the five other thresholds. In addition, given that Threshold No.3 (major projects) is relevant to total eligible expenditure in the 2014-2020 period instead of total cost in the past period, a threshold analysis was conducted using total eligible expenditure. The findings of this threshold analysis can be found in Appendix E.

Finally the cumulative distribution of the contents of the database relative to the number of operations and to their value, was developed. This was done for each of the

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<sup>1</sup> Due to technical reasons two programmes were not surveyed: 2007HU161PO010 and 2007HR161PO001.



six thresholds, for the Member States, and for the Thematic Objectives of the 2014-2020 period (which are mapped against the Priority Themes of the 2007-2013 period). The results of these analyses can be found in Appendices F, G and H respectively.

### **Conclusions**

**1)** The **descriptive analysis of the collected data** shows a large variation by Member State. However, some common patterns can be identified when looking at the data from an EU-level perspective. For example, the **average total cost per operation varies significantly by Member State**. It ranges from Spain (EUR 59,488) and Greece (EUR 101,373) to Slovakia (3.68 million) and Cyprus (EUR 5.77 Million). The EU average is EUR 1.21 million.

**At the EU-level, the distribution of operations shows a very large number of small operations** and a very small number of higher value contracts in terms of total cost. It is worth noting that 52% of operations are worth less than EUR 50,000 and that 44% of operations have total cost of even less than EUR 20,000. Less than 4% of the operations are above EUR 2 million.

The **highest number of operations** can be found in priority themes "research, development and innovation" (57%), information society (12%) and "energy" and "environment protection and risk prevention" (both 7%). The **operations with the highest total cost** can be found in priority themes "research, development and innovation" (37%), "transport" (20%) and "environment protection and risk prevention" (14%).

The priority theme grouping "transport" had the **highest average cost** of operations (EUR 5.6 million). This is consistent with the nature of infrastructure projects. The priority themes grouping with the **lowest average** cost per operation were "Social Inclusion" and "Adaptability of workers and firms" at EUR 161,732 and EUR 239,211, respectively.

The distribution of operations, as regards the number and the total cost, shows that there is a high number of small operations which have a very low share of total costs, On EU average, more than half (52%) of all operations have total costs **below EUR 50,000** but they represent only **1% of total allocation**. However, there are considerable differences between MS. For example, Cyprus and Luxembourg have no operations below EUR 50,000 whereas Spain has 90% operations below this threshold. A threshold of EUR 1 million covers even 92% of all operations but only 22% of the total costs.

**2) Table 1** here below provides a summary of the findings of the **threshold analysis**, indicating the number of operations in the database above and below each threshold, along with their value in total cost. The table also includes an overview of the sensitivity analysis.

**Table 1: Summary of the findings of the threshold and the sensitivity analyses**

	Threshold		Threshold analysis		Sensitivity analysis			
			Percent of total operations	Percent of total cost	Threshold lowered		Threshold raised	
					Percent of total operations	Percent of total cost	Percent of total operations	Percent of total cost
1	EUR 1,000,000 Total cost (revenue generating operations after completion)	Above threshold	8%	78%	To EUR 800,000 10%	To EUR 800,000 81%	To EUR 1,200,000 7%	To EUR 1,200,000 76%
		Below threshold	92%	22%	To EUR 800,000 90%	To EUR 800,000 19%	To EUR 1,200,000 93%	To EUR 1,200,000 24%
2	EUR 50,000 Total cost (revenue generating operations during their implementation)	Above threshold	48%	99%	To EUR 40,000 49%	To EUR 40,000 99%	To EUR 60,000 46%	To EUR 60,000 99%
		Below threshold	52%	1%	To EUR 40,000 51%	To EUR 40,000 1%	To EUR 60,000 54%	To EUR 60,000 1%
3	EUR 50,000,000 or EUR 75,000,000 if TO7 Total cost (major projects)	Above threshold	0,1%	20%	To EUR 40 million 0%	To EUR 40 million 22%	To EUR 60 Mio 0%	To EUR 60 Mio 19%
		Below threshold	100%	80%	To EUR 40 Mio 100%	To EUR 40 Mio 78%	To EUR 60 Mio 100%	To EUR 60 Mio 81%
4	EUR 1,000,000 Total eligible expenditure (availability of documents)	Above threshold	6%	70%	To EUR 800,000 8%	To EUR 800,000 73%	To EUR 1,200,000 5%	To EUR 1,200,000 67%
		Below threshold	94%	30%	To EUR 800,000 92%	To EUR 800,000 27%	To EUR 1,200,000 95%	To EUR 1,200,000 33%

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	Threshold		Threshold analysis		Sensitivity analysis			
			Percent of total operations	Percent of total cost	Threshold lowered		Threshold raised	
					Percent of total operations	Percent of total cost	Percent of total operations	Percent of total cost
5	EUR 200,000 Total eligible expenditure (maximum number of audits)	Above threshold	21%	88%	To EUR 100,000 31%	To EUR 100,000 93%	To EUR 300,000 16%	To EUR 300,000 85%
		Below threshold	79%	12%	To EUR 100,000 69%	To EUR 100,000 7%	To EUR 300,000 84%	To EUR 300,000 15%
6	EUR 250 Amounts to be recovered	Above threshold	95%	97%	To EUR 100 99%	To EUR 100 100%	To EUR 500 95%	To EUR 500 99,99%
		Below threshold	5%	3%	To EUR 100 1%	To EUR 100 0%	To EUR 500 5%	To EUR 500 0,01%

**3)** The sensitivity analysis measures the impact of hypothetical changes to the 6 thresholds on the distribution of the number of operations and the total cost. This analysis shows that changes in lower value thresholds, such as Thresholds 2 and 4, have an impact on a greater number of operations than those at higher values. This observation does not hold when looking at the impact on total cost, where the distribution is more even across project values, and thus, among thresholds.

For **Threshold No.1**, 13% of the operations in **Croatia** would be affected by a lowered threshold of EUR 800,000 and the higher threshold of EUR 1,200,000. **Luxembourg** and **Sweden** were also equally sensitive to potential changes in threshold with 13% and 12% of their operations respectively being impacted.

For **Threshold No.2**, **Greece** could be the most impacted, with 18% of its operations being susceptible to the raising or lowering of the thresholds. This translates into a possible 9% change in terms of total cost. Finland comes second in terms of number of operations with an 11% potential swing, albeit with a negligible change in total cost of 2%.

In terms of percentage change, **Bulgaria** would be the most susceptible to alterations in **Threshold No.3** with some 0.26% of operations potentially affected. Slovenia is also susceptible with a potential swing of 0.17%. However, given that the total number of all operations above the original threshold equates to less than 0.1% of all operations in the EU, it is better to consider the absolute number of operations affected. In this light, **Poland** is most susceptible to potential changes in Threshold No.3, with a total of 29 operations affected should it be lowered or raised. This accounts for less than a 1% swing in the number of operations but almost EUR 1,500,000,000, a 4% swing in terms of total cost for the MS and approximately 1% of the total cost of all operations in the database. **Italy** and the **Czech Republic** are also particularly sensitive, with 19 and 13 operations affected respectively.

**Threshold No.4** is of EUR 1 million in eligible expenditure. As with Threshold No.1, (which is EUR 1 million in total cost) **Croatia** and **Sweden** are sensitive to any potential changes, with 10% of its operations possibly affected by a lowering or raising of this threshold. Unlike with Threshold No.1, Luxembourg is less sensitive, with only a 4% increase in the number of operations beneath the threshold when it is raised.

**Luxembourg** is particularly sensitive to changes in **Threshold No.5**, with 46% of its operations being impacted by the raising or lowering of the EUR 200,000 threshold of total eligible expenditure. In terms of total cost this translates to 22%. **Belgium**, **Cross-border regions** and the **Czech Republic** are also particularly sensitive to such changes, with 31% of operations being impacted.

With regards to **Threshold 6**, the sensitivity analysis suggests that raising or lowering the threshold by some EUR 100 can result in a **change of 1 to 2 per cent** in the number of operations, the **impact in terms of total cost is marginal at best**. In addition, the impact would be limited to only some 18 MS which have a noteworthy number of operations with a non-zero value under "amounts to be recovered".

**4)** The establishment of a database at the operation level is considered a valuable exercise since it provides the European Commission and its stakeholders with a robust database with which to conduct reliable modelling of the effects of thresholds and limits, using data that was previously unavailable.

With the contents of the database being suitably representative of the investments made under ERDF and CF in the 2007-2013 period, it is possible to understand the distribution of operations around each of the six thresholds in question, by number of operations, by their cost, and by their cumulative number and cumulative cost.

In addition, it is now possible to further break down this distribution by observing the distribution of operations by MS, by category of regions, by priority theme, and by territorial dimension. It must be noted that while this data is robust at the level of the EU, it is less so at MS level, particularly for those MS, such as Germany and Italy, where substantial amounts of data had to be estimated.

While this study was focussed on data from the 2007-2013 period, its findings can be interpreted within the context of the 2014-2020 period. This is because many of the data fields are relevant from one period to the next, including category of region, priority theme (which can be mapped against the new Thematic Objectives), forms of finance, and territorial dimensions. This will allow future studies on operations in the 2014-2020 period to draw meaningful insights from the data in the database especially as regards introducing further or adjusted thresholds for simplification purposes. Therefore, the study will provide an analytical basis for further reflections on the future of the policy.

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## 1. INTRODUCTION AND METHODOLOGY

In addition to the missions set out in the Treaties, the European Structural and Investment Funds (ESI Funds) play an important role in the delivery of the policy objectives of the Europe 2020 Strategy. The funds are managed under shared management. The use of funds is set out in Operational Programmes (OPs) in accordance with the Partnership Agreements, which are agreed upon by the European Commission (EC) for the programming period 2014-2020. Operations<sup>2</sup> that are eligible for support under these programmes can apply and if approved, benefit from co-financing by the ESI Funds.

As support through European Funds constitutes public money, effective management and control systems need to be in place. To this end certain control and reporting requirements have been established to ensure transparency and sound financial management of the programmes. As the EC is ultimately the responsible party for the use of the funds, Managing Authorities (MAs) are required to keep track of different pieces of information about each Operation for audit and reporting purposes. Regulations imposing management and control and reporting measures however, create an administrative burden on the MAs and on beneficiaries from the different administrative tasks required to ensure compliance.

In the light of the recent economic crisis and the priority placed on public institutions to cut costs where possible and increase efficiency, the legislative framework applicable to ESI Funds for the 2014-2020 period emphasises the principle of proportionality and the necessity to reduce administrative costs and burdens placed upon MAs and, in particular, beneficiaries. The Common Provisions Regulation (CPR) establishes several new limits and thresholds in order to reduce administrative cost and burden and facilitate the implementation of these funds.

A database at the level of operations is indispensable to assess the impact and effectiveness of the respective thresholds and limits introduced by the CPR. Since implementation of the operations of the 2014-2020 period is not sufficiently advanced, the data from the previous period - which was nearly completed at the time of the data collection - has to be used for this analysis. However, at EU-level, much of the information for the 2007-2013 period, that is necessary for this assessment, is only available at priority axis and thus aggregated level and does not allow analysis on the level of operations. DG REGIO has therefore initiated this project to address this limitation by developing a representative and comprehensive database for all the operations financed by the ERDF and Cohesion Fund in the 2007-2013 period in order to provide the means to produce meaningful simulations of the impact of the new or already established levels and thresholds.

This Final Report has been set up in accordance with the Terms of Reference for this assignment and the results of the kick-off meeting with DG REGIO held on 21 January 2015 and the Steering Group meetings held on 09/03/2015, 03/09/2015, 13/11/2015 and 28/04/2016.

The Final Report is structured as follows:

**Section 1** provides a background and context for this project, its objectives and overall methodology;

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<sup>2</sup> According to Art. 2(9) CPR "operations" means a project, contract, action or group of projects selected by the managing authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities [...].

**Section 2** presents a summary of the data collection process and the representativeness of the database;

**Section 3** provides the results of the analysis of the data collected including a descriptive analysis of the data and the impact of the thresholds on the dataset;

**Section 4** concludes the report with a final statement about the report and the value of the study.

### **1.1. The European Structural and Investment Funds**

According to Art. 175 TFEU, Structural Funds should contribute to strengthening of the Union's economic, social and territorial cohesion. The use of Structural Funds has been consistently evolving and adapting to meet the needs of European integration and more specifically regional development, convergence and employment.

In the 2007-2013 programming period 249 OPs were financed through the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). In addition, 73 European Territorial Cooperation (ETC) programmes were funded during this period, including cross-border programmes, transnational programmes, interregional programmes and networking programmes.

The amount of EU support allocated to each of the 3 objectives is as follows:

- Convergence objective: EUR 282 billion;
- Regional competitiveness and employment objective: EUR 55 billion;
- European Territorial Cooperation: EUR 9 billion.

The allocated budget within the scope of this study<sup>3</sup> for each Fund was as follows:

- ERDF: EUR 201 billion (74%);
- CF: EUR 70 billion (26%);<sup>4</sup>

### **1.2. Management and control system for the use of ESI Funds**

In order to improve the coherence, efficiency, and effectiveness of the use and the implementation of the ESI Funds over the 2014-2020 programming period, a Common Provisions Regulation (CPR)<sup>5</sup> has been established to lay down common provisions for the ESI Funds as well as to improve coordination and harmonise implementation of these Funds.

The CPR sets out that the MSs shall set up management and control systems that comply with the CPR and the fund-specific Regulations. At the same time the CPR sets out that the provisions for the implementation of the ESI Funds – and in particular the provisions on monitoring, reporting, evaluation, management and control – should take into account the overall aim of reducing the administrative burden on bodies involved in the management and control of the programmes<sup>6</sup>.

For the 2007-2013 period, Article 7 of Regulation (EC) No 1828/2006, laid down the responsibilities of the MAs on information requirements. According to Article 14 of this

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<sup>3</sup> ESF allocations were not subject to this study.

<sup>4</sup> The IPA for Croatia of EUR 1 billion (0.36%) is not covered by this study.

<sup>5</sup> Common Provisions Regulation (CPR) n°1303/2013 adopted on 17 December 2013.

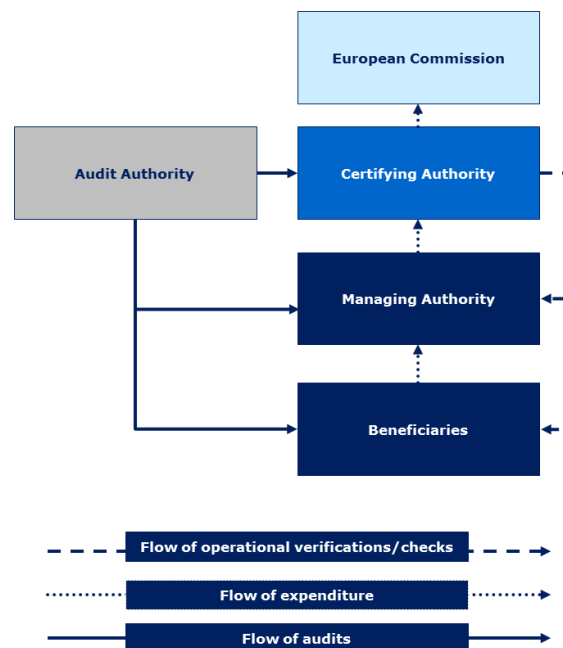
<sup>6</sup> CPR Art 4 (5).

Regulation, only managing, certifying and audit authorities have full access to the data on the level of operations.

An overview of the allocation (and decentralisation) of controls to ensure EU funds are used correctly is provided in Figure 1, which illustrates how:

- The MA carries out management verifications by ensuring operations selected for Programmes comply with the applicable requirements; advising beneficiaries on what they must do to meet the terms and conditions for support; putting in place and operate internal control to check expenditures presented by beneficiaries are regular; correcting irregular expenditure; and monitoring the implementation of the programme and sending the EC annual performance reports;
- The Certifying Authority certifies to the EC that the expenditure being declared for reimbursement is accurate, results from a reliable accounting system, and complies with applicable EU and national rules;
- The Audit Authority in the MS checks the effectiveness of the functioning of the control systems and reports on its work in an annual control report to the EC, accompanied by an audit opinion;
- The EC supervises the set-up and operation of the control systems in the MS.

**Figure 1: The financial control system for the EU Cohesion Policy 2007-2013**



Source: DG REGIO<sup>7</sup>

The data fields, which have to be recorded for operations and stored by the MAs, are set out by Regulation (EC) No 1828/2006 and listed in Table 2. However, the information that MAs have to make publicly available for the 2007-2013 period is more limited, and includes only the list of beneficiaries, the names of operations and the amount of public support allocated to the operations (Article 7 of Commission Regulation (EC) No 1828/2006).

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<sup>7</sup> DG REGIO (2009) The control system for Cohesion Policy: How it works in the 2007-13 budget period.

Due to this unavailability of detailed operation level data on EU-level, this study establishes an anonymous comprehensive database of operations financed from the ERDF and CF in the 2007-2013 period, which will provide the basis for the assessment of the effects of certain thresholds and limits designed to reduce administrative burden.

**Table 2: Data to be recorded for operations according to Regulation (EC) No 1828/2006 Annex III.**

Field	Specification of the field
<b>A. Data on operations (as per approval decision, as amended)</b>	
1	Operational programme CCI code
2	Number of priority
3	Name of fund
4	Code of region or area where operation is located/carried out (NUTS Level or other, if appropriate)
5	Certifying authority
6	Managing authority
7	Intermediate body that declares expenditure to certifying authority, if applicable
8	Unique code number of operation
9	Short description of operation
10	Starting date of operation
11	Completion date of operation
12	Body issuing approval decision
13	Approval date
14	Reference of beneficiary
15	Currency (if not euro)
16 <sup>8</sup>	-
17	Total amount of eligible expenditure to be paid by beneficiaries
18	Corresponding public contribution
19	-
<b>B. Expenditure declared on operation</b>	
20	Internal reference number of last application for reimbursement from operation
21	Date on which last application for reimbursement from operation was entered into monitoring system

<sup>8</sup> Total cost has been deleted by the amended regulation: Commission Regulation (EC) No 846/2009 of 1 September 2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund

<b>Field</b>	<b>Specification of the field</b>
22	Total amount of eligible expenditure paid by beneficiaries and declared in last application for reimbursement from operation entered into monitoring system
23	Total amount of eligible expenditure paid by beneficiaries for which applications for reimbursement have been made
24	Location of detailed supporting documents for claim if not on premises of beneficiary
25	ERDF-related expenditure for OPs co-financed by ESF (1)
26	ESF-related expenditure for OPs co-financed by ERDF (2)
27	Expenditure paid in areas adjacent to the eligible areas (Cross-border cooperation) (3)
28	Expenditure paid by partners located outside the area (transnational cooperation) (4)
29	Expenditure paid outside the Community (cross-border, transnational and interregional cooperation) (5)
30	Expenditure paid for the purchase of land (6)
31	Expenditure paid for housing (7)
32	Expenditure paid for indirect costs/overheads declared on a flat rate basis, flat rat costs calculated by application of standard scale of unit costs and lump sums (8)
33	Revenue deducted from the expenditure of the operation and included in the statement of expenditure and application for payment
34	Financial corrections deducted from the expenditure of the operation and included in the statement of expenditure and application for payment
35	Total amount of eligible expenditure declared from operation and corresponding public contribution included in statement of expenditure sent to the Commission by certifying authority (in EUR)
36	Total amount of eligible expenditure declared from operation and corresponding public contribution included in statement of expenditure sent to the Commission by certifying authority (national currency)
37	Date of last statement of expenditure of the certifying authority containing expenditure from operation
38	Date of verifications carried out pursuant to Article 13(2)(b)
39	Date of audits pursuant to Article 16(1)
40	Body carrying out the audit or verification
41	-

### **1.3. Thresholds and limits in the legal framework**

The CPR sets out several limits and thresholds in order to reduce the administrative burden, to respect the principle of proportionality and to facilitate the implementation of the ESI Funds both for the MSs and the beneficiaries. Some of these thresholds have been selected to be analysed further by this study.

Among these, two of them were already in place in the 2007-2013 period<sup>9</sup> (on operations generating net revenue after completion and on major projects<sup>10</sup>). The others have been newly established by the CPR. Thresholds and limits laid down in the CPR which are relevant for this study are listed below in Table 3.

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<sup>9</sup> See measure 8 and 9 on page 8 of the study conducted by the Working Group on Structural Funds:  
[http://www.eca.europa.eu/sites/cc/Lists/CCDocuments/Final%20report%20WGSF/FinalReportWGSF\\_EN.pdf](http://www.eca.europa.eu/sites/cc/Lists/CCDocuments/Final%20report%20WGSF/FinalReportWGSF_EN.pdf)

<sup>10</sup> The new threshold in Art. 100(1) CPR refers to total eligible cost and distinguishes between operations that contribute to different thematic objectives, whereas the threshold in Art. 39 Reg. (EC) No 1083/2006 referred to total costs of the operation and does not distinguish between different thematic objectives.



**Table 3: Thresholds and limits in the CPR relevant for the study**

<b>New provision</b>	<b>2007-2013</b>	<b>2014-2020 CPR</b>	<b>Description</b>	<b>Threshold/limits (in 2014-2020 CPR)</b>
No	Art 55(5) Reg. (EC) No 1083/2006	Art 61 (7)(b)	Provisions on net revenue don't apply to operations whose total eligible cost does not exceed EUR 1,000,000.	EUR 1 million of total eligible costs
No	Art 39 Reg. (EC) No 1083/2006 <sup>11</sup>	Art 100	Major Projects are operations whose total eligible cost exceeds EUR 50,000,000 and in the case of operations contributing to the TO7 (sustainable transport and bottlenecks in key network infrastructures) where the total eligible cost exceeds EUR 75,000,000. Operations which generate net revenue during their implementation and to which paragraphs 1 to 6 of Article 61 do not apply: The eligible expenditure of the operation shall be reduced by the net revenue not taken into account at the time of approval of the operation directly generated only during its implementation, not later than at the final payment claim submitted by the beneficiary if the total eligible cost for this operation exceed EUR 50,000.	Total eligible costs of EUR 50,000,000, and in the case of operations contributing to TO7 <sup>12</sup> , a total eligible cost of EUR 75,000,000
Yes	-	Art 65(8)(i)	Operations which generate net revenue during their implementation and to which paragraphs 1 to 6 of Article 61 do not apply: The eligible expenditure of the operation shall be reduced by the net revenue not taken into account at the time of approval of the operation directly generated only during its implementation, not later than at the final payment claim submitted by the beneficiary if the total eligible cost for this operation exceed EUR 50,000.	Total eligible cost of EUR 50,000
Yes	-	Art 140	Retention of documents on operations for which the total eligible expenditure is less than EUR 1,000,000 for a period of 3 years from 31 December following the submission of the accounts in which the expenditure of the operation is included.	Total eligible expenditure of EUR 1,000,000

<sup>11</sup> The thresholds concerned total costs of the operation, not total eligible cost, and did not distinguish between different thematic objectives.

New provision	2007-2013	2014-2020 CPR	Description	Threshold/limits (in 2014-2020 CPR)
Yes	-	Art 148	<p>In the event an operation has a total eligible expenditure of more than EUR 1,000,000, all supporting documents shall be made available for a 2 year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included. A managing authority may decide to apply to operations for which the total eligible expenditure is less than EUR 1,000,000.</p>	<p>Total eligible expenditure of this operation less than EUR 200,000 (ERDF, CF), EUR 150,000 (ESF) and EUR 100,000 (EMFF)</p>
Yes	-	Art 122(2)	<p>Other operations shall not be subject to more than one audit per accounting year by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed. Operations shall not be subject to an audit by the Commission or the audit authority in any year if there has already been an audit in that year by the European Court of Auditors, provided that the results of the audit work performed by the European Court of Auditors for such operations can be used by the audit authority or the Commission for the purpose of fulfilling their respective tasks.</p>	<p>EUR 250 in amounts to be recovered</p>
			<p>Member States may decide not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the Funds.</p>	

During the preparatory work and negotiations of the legal act establishing these aforementioned limits and thresholds, it proved to be difficult to assess in detail the impact and effect of the relevant thresholds and limits, in particular where they related to the level of the operations, due to the fact that data was only available on aggregate level. This made it difficult to assess the potential effectiveness of proposals to increase proportionality and reduce administrative burden. Therefore, in order to successfully assess the impact and effect of introduced thresholds and limits, it is necessary to have a database with the relevant information at the Operation level<sup>13</sup>.

#### 1.4. Project objectives and expected benefits

DG REGIO wishes to improve its assessment of the impacts and effects of established thresholds and limits, as part of its work to assess the implementation of new or specific provisions in the 2014-2020 Regulations for ESI Funds by developing a more complete dataset for the 2007-2013 period. Therefore it is necessary to collect certain data from all of the MAs on all operations funded by ERDF and CF. The objective of the project was to create a comprehensive database of all operations supported through 320 Operational Programmes financed by the Cohesion Fund and the ERDF, including ETC programmes. This included all 247 OPs financed by the ERDF and the CF, including the 73 under the European Territorial Cooperation objective.

This database will enable simulations of the effects of variations of threshold levels on the implementation of projects on the ground. The database and findings of this study will feed into the EC's assessment of the impact of the new provisions and will feed into considerations towards the future of Regional and Cohesion policy.

#### 1.5. The methodological approach

The methodological approach has been divided into five work phases, as shown in Figure 2.

**Figure 2: Breakdown of the assignment work phases**



The five phases are:

- Phase 1: Project initiation through a kick-off meeting with the Steering Group. Validation of the methodological report and the proposed structure of the database. Agreement on a list of contact details of the relevant MAs to be approached during the data collection process.
- Phase 2: Collection of the data at the operation level from all MAs and MSs and setting up of the database which should be as complete as possible.
- Phase 3: Analysis of the data in the newly-created database to identify the impacts and effects of certain thresholds and limits.
- Phase 4: Write up of the findings for the Draft Final Report.

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<sup>13</sup> In accordance with Article 115 (2) of the CPR, MAs shall maintain a list of operations on a single website in the 2014-2020 period. This website will have to include specific information in lines with Annex XII point 1 of the CPR, including details about the beneficiary, start and end date, and the total eligible expenditure, to list but a few.

- Phase 5: Wrap-up of the project. Incorporate any comments into the Final Report. If required, a training session on the use of the database for DG REGIO staff will be organised.

## 2. DATA COLLECTION

This section of the report elaborates on the data fields requested from the MAs as part of this study, along with a description of the data collection procedure and the representativeness of the database.

The database contains the data requested from the MAs, as well as some fields inputted by the contractors such as OP code, category of region and MS. These are summarised in Table 4 below.

**Table 4: The different data fields for each Operation**

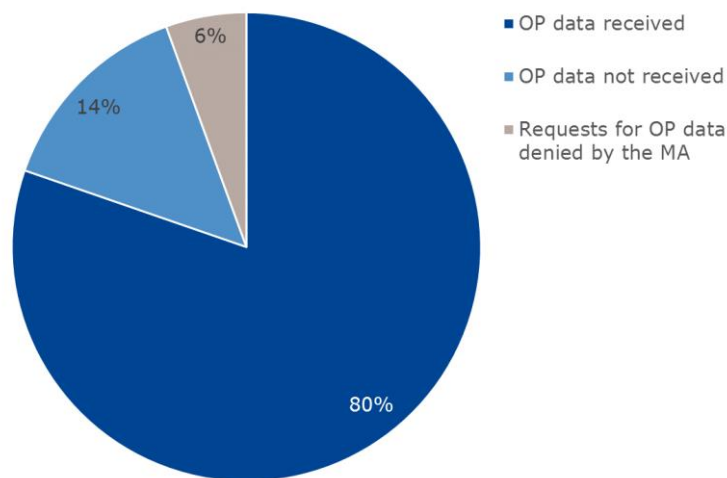
Data field	Format	Definition
Member State	Text-string	Two-letter acronym used for each Member State
Operational Programme	Alphanumeric code	The CCI code attributed to each Operational Programme
Operational Programme title	Text string	The title for each Operational Programme. These can be in the language of the Member State
Total cost	Numerical value	The total cost of the Operation as was the Field 16 of the Annex III of Regulation 1828/2006 prior to its deletion
Total eligible expenditure	Numerical value	Total amount of eligible expenditure declared from operation and corresponding public contribution included in statement of expenditure sent to the Commission by certifying authority
Priority theme	Numerical code	The code attributed to the priority theme as listed in Table 1 of Annex II of Regulation 1828/2006
Form of finance	Numerical code	The code attributed to the form of finance as listed in Table 2 of Annex II of Regulation 1828/2006
Territorial dimension	Numerical code	The code attributed to the territorial dimension as listed in Table 3 of Annex II of Regulation 1828/2006
Amounts to be recovered	Numerical value	The recoveries made as a result of irregularities
Revenue deducted	Numerical value	Any deductions made as a result of revenue generation as defined in Field 33 of Annex III of Regulation 1828/2006
Short description	Text string	A short description of the operation, mostly in the local language

Along with the requested data, some MAs provided additional information on the geography of the operations. In order to provide additional value to DG REGIO, data on the NUTS categorisation of operations has been included when these have been provided.

### 2.1. Response rate

Of the 320 OPs supported by the ERDF and CF during the 2007-2013 programming period, the assembled database contains 261 OPs, or 81%. In terms of the total amount of ERDF and CF Funds<sup>14</sup> of EUR 270,254,735,360 allocated to all OPs, the dataset covers EUR 215,249,043,456, or 80% (see Figure 3).

**Figure 3: The completeness of the collected data across the EU 28 in terms of EU funds allocations**

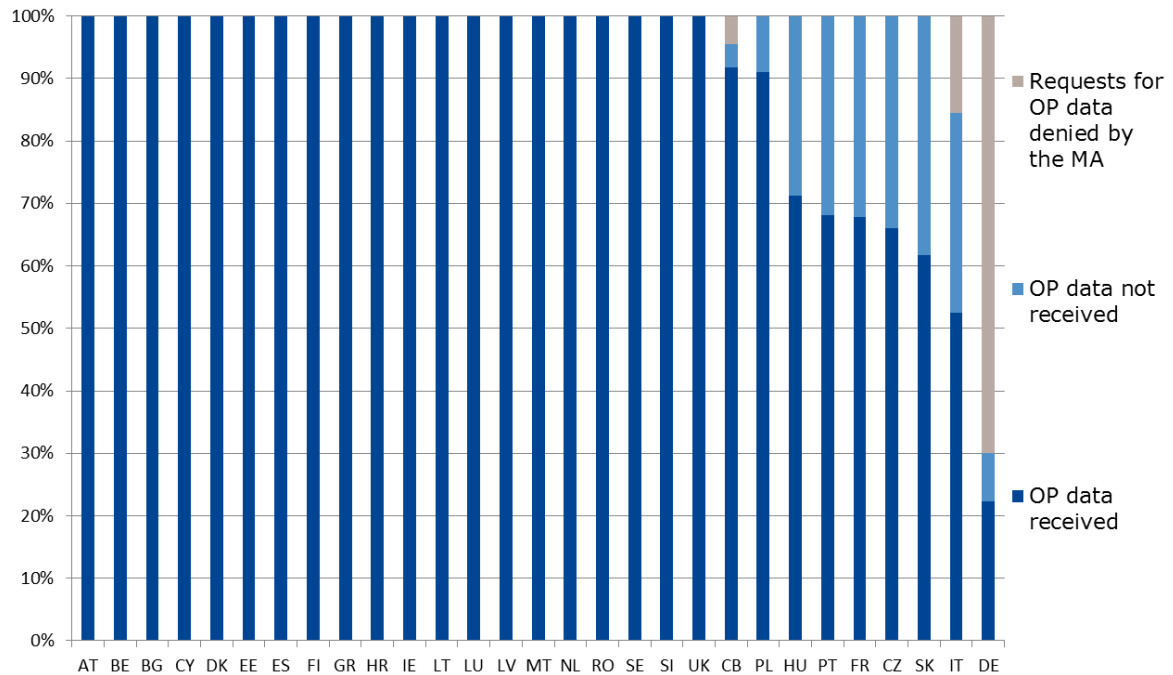


It should be noted that MAs for 14 OPs, or 6% of the total EU Fund allocation, explicitly denied the request for data. The majority of these were in Germany, where the request for data was refused for 10 OPs. The remainder included one OP from Italy and three Cross-border programmes. The refusal of these MAs to participate has an important impact on the representativeness of the database **at the Member State level**, as more than half of the data for Germany could not be incorporated (Figure 4). In addition, a low rate of participation by Slovak and Italian MAs has led to a less than ideal amount of data collected.

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<sup>14</sup> The theoretical covered amount based on data provided by DG REGIO

**Figure 4: The completeness of the database by MS and share of EU funds allocation**

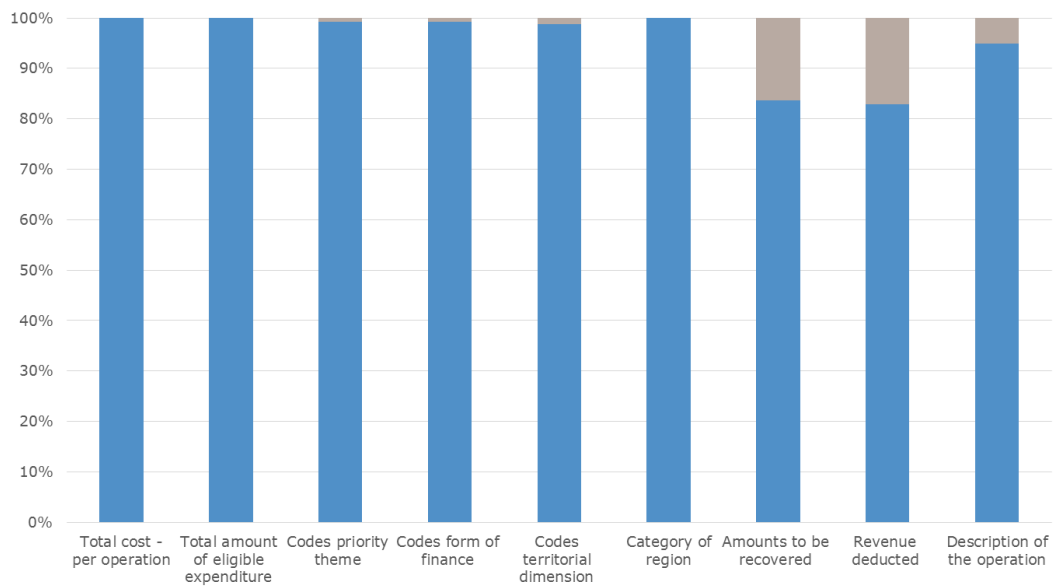


## 2.2. The completeness of the data fields

For those data files that were submitted, issues with completeness were relatively few, and largely limited to a few categories. For those data files that were submitted, Figure 5 below shows the percentage in which individual data fields were incomplete or missing. The overwhelming majority of incompleteness issues were in just two categories: “amounts to be recovered” and “revenue deducted”.

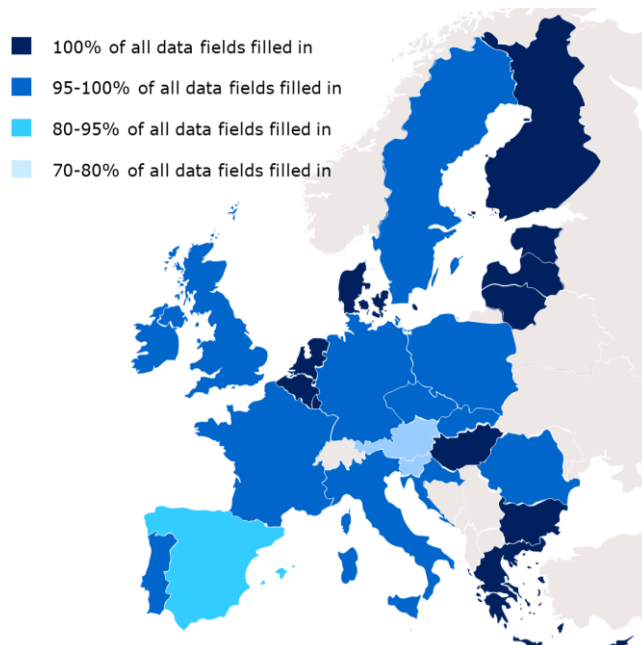
In most cases, MAs indicated that the data was missing because it was collected in different databases or by different authorities. In some cases data fields were left blank because the information was not applicable. For example, for an OP in which there were no revenue generating operations, the data field “revenue deducted” was left blank. The impact of the lack of available data on them will be touched upon further in Section 2.4.

**Figure 5: Completeness of the database by data field**



Furthermore, it is worth noting that issues of data completeness are also quite focused geographically. As Figure 6 below shows, incomplete fields were limited to less than 10% of submitted data in 25 of 28 MS. In some rare cases, data was missing for codes pertaining to priority theme, form of finance, or territorial dimension. For example, one of the Slovenian OPs could only provide data for total cost and total eligible expenditure. In the case of Spain, no data was provided on "amounts recovered" and on "revenues deducted" within the context of this study because of the means by which the data was recorded in the respective systems. The Austrian MAs could not provide data for these two fields for the same reason. In addition, for reasons of confidentiality, no information on a "short description of each operation" was given.

**Figure 6: The completeness of the submitted data for each Member State**





### 2.3. Limitations of the database and other considerations

Despite the good participation rate, the database has some limitations which are mentioned below:

- **Poor representation of German data:** As previously mentioned, 14 MAs refused to submit any data, 10 were from Germany. In many cases the data submission was considered to be a too burdensome despite the fact that the requested data had not to be generated by the authorities but should to a large extent be already available and stored in computerized systems due to regulatory requirements. This low participation rate means that the database covers just 23% of funds allocated to Germany during the 2007-2013 period.
- **Categorisation of Cross-border data files:** By definition, Cross-border OPs involve more than one MS. This presented a challenge in terms of assigning an MS code to a given operation. As such, for these OPs, the MS under the corresponding column has been entered as "CB".
- **Currencies other than Euros:** Several of the data files were provided in a currency other than in Euros. According to Article 81 of Regulation 1083/2006, currency conversions must be done using official monthly conversion rates posted on the EC website.<sup>15</sup> This conversion was possible for some of the foreign currency files, but because the dates of the projects were not one of the data fields requested, for most files this was not possible. All remaining entries were converted into Euros using the average exchange rate over the 2007-2015 period. This helped avoid distortions due to short-time fluctuations of exchange rates. The exchange rates for the different non-Euro currencies employed for the purpose of our analyses can be found in Appendix A.
- **Missing data fields:** With regards to the data fields "amounts to be recovered" and "revenue deducted" several MAs were unable to provide this information, either because they did not include them in the same database when reporting investments at the project level or their systems did not allow exporting this kind of information. In addition, the number of instances where operations were recorded with a value other than zero for these two data fields are limited. As such the threshold analyses requiring this data should be conducted using only those operations with non-zero values entered in these fields. The impact of this is that analyses using either of these fields will be limited for Austria and Spain for which there is no data.
- **Lack of non-financial data from Slovenia:** One of the MAs in Slovenia provided only data at the level of the operations for total cost and total eligible expenditure. As there were only two OPs for this MS, this substantially limits the ability to reach any conclusions about project typologies, forms of finance employed, territorial dimension of projects, amounts recovered or revenue deductions for this MS.
- **Only completed operations:** As the study is only concerned with the collection of data for completed operations, it must be noted that it cannot be a complete record of operations funded under the 2007-2013 programming period (see also section 2.3 above). Because the final deadline for the eligibility of expenses is 31.12.2015 some operations were still to be finalised at the time of data collection and as such are not reflected in the database.
- **Multiple codes by dimension for one operation:** In several OPs, operations were allocated more than one code for a number of data fields, including

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<sup>15</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

priority theme, form of finance, and territorial dimension. In order to capture this data, the database was restructured to contain an individual field for each Priority Theme, Form of Finance and Territorial Dimension, which was completed with the amount of total cost allocated to each. Because a single operation can include values for multiple fields, the number of projects which feature a given Priority Theme, Form of Finance or Territorial Dimension will sum to more than the total number of operations. This approach has been taken at the request of the EC in order to retain as much information provided by the MAs as possible.

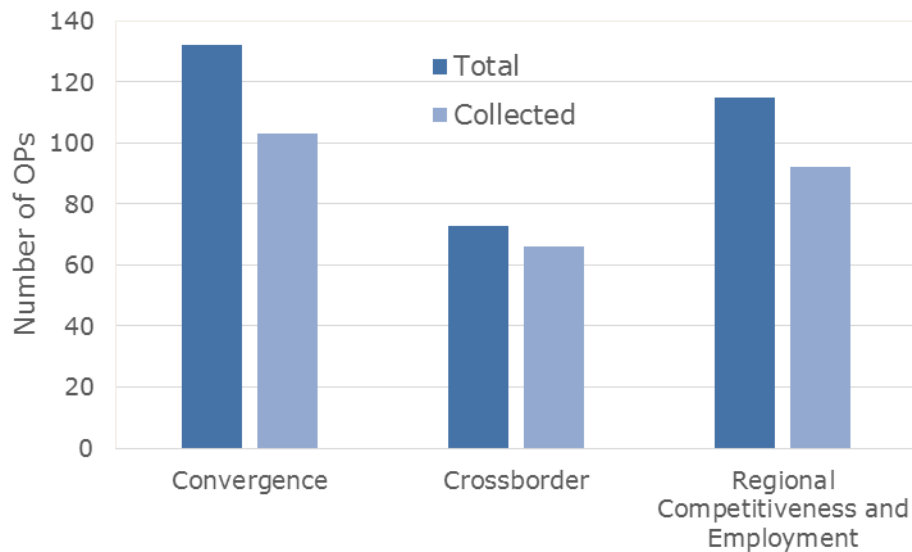
#### **2.4. Representativeness of the data sample**

An important consideration prior to presenting the findings of both the descriptive analysis of the database and the threshold analysis, is whether the data sample is sufficiently large to draw robust conclusions from. As the sample of completed operations collected is not identical to the total population of completed operations, we rely on a sample size that can preserve the characteristics of the overall population. The margin of error of this sample size can be calculated in order to obtain an overview of its representativeness.

The distribution of the characteristics of the overall dataset across all operations are preserved given the frequency of occurrence  $f_n$  and the total size of the sample  $n$  (or collected operations in Europe). This error margin is dependent on the sample size  $n$  and the properties of the square root function (increasing at a decreasing rate); it indicates that any sample of operations increases in precision as it increases in size, although at a decreasing rate. In consequence, any dataset of sample size higher than 2,000 observations is characterised by a margin of error of less than 2%. As such, given the high number of observations collected, we can conclude that the sample dataset of operations preserves the characteristics of the whole population of operations at EU level.

A second consideration is the extent to which the sample of completed operations collected in this study can be considered to preserve the characteristics of the final population of all operations completed under the 2007-2013 programming period, which would include data not available at the time this study was conducted. Because the dataset includes only operations which were completed at the time of data collection (the second and third quarters of 2015), it is missing thousands of operations which were subsequently completed before the end of the programming period. While the dataset is still sufficiently large to be considered statistically significant even for this slightly larger sample, there is reason to believe that the missing data will differ in its characteristics from the collected dataset in a number of ways that could introduce bias to the analysis.

**Figure 7: OP data files by Category of Region**



It is expected that the population of projects not completed at the time of data collection will over represent three, non-mutually exclusive kinds of projects which could impact the representativeness of the sample. These include:

- **Large infrastructure projects:** Operations of a high value such as transport or large energy infrastructure projects typically have a much longer duration than most other kinds of projects. Consequently, these types of operations tend to be completed later in the programming period than other types of projects. As a result, the total population of completed projects will likely contain more operations on the high end of the value distribution (the average value of a transport operation is of EUR 4.1 million), and in priority themes associated with infrastructure projects than the present dataset.
- **Complex projects:** Regardless of cost or type, projects which are more administratively complex are also more likely to have longer durations and thus be completed later in the programming period than other types of projects. Aspects that could qualify a project as complex include cross-border or multi-state projects, or projects in heavily regulated sectors such as environmental protection. As a result, the total population of completed projects will likely contain more operations from cross-border regions, and from the territorial dimensions transnational cooperation area, cross-border cooperation area, and interregional cooperation area than the present dataset.
- **Regions with lower administrative capacities:** Finally, regions which have lower administrative capacity will tend to complete their operations later in the programming period than others. This trend is reflected in the evolution of absorption rates, where the more developed MS arrived at near 100% absorption much sooner than less developed ones. As a result, the total population of completed projects will likely contain more operations in convergence regions, and thus in MS that are primarily made up of convergence regions, than the present dataset.

Based on a comparison of allocation levels and total eligible expenditure by priority theme, it is expected that the largest differences are in transportation projects, and in convergence regions. As such it will be important to keep these in mind when drawing any conclusions using this database.

### 3. ANALYSIS OF THE COLLECTED DATA

The following section contains an analysis of the content of the database. It contains a description of the representativeness of the dataset relative to final, total spending of funds allocated by ERDF and CF in the 2007-2013 programming period, as well as descriptive analysis of features of the data collected.<sup>16</sup>

#### 3.1. Descriptive analysis of the collected data

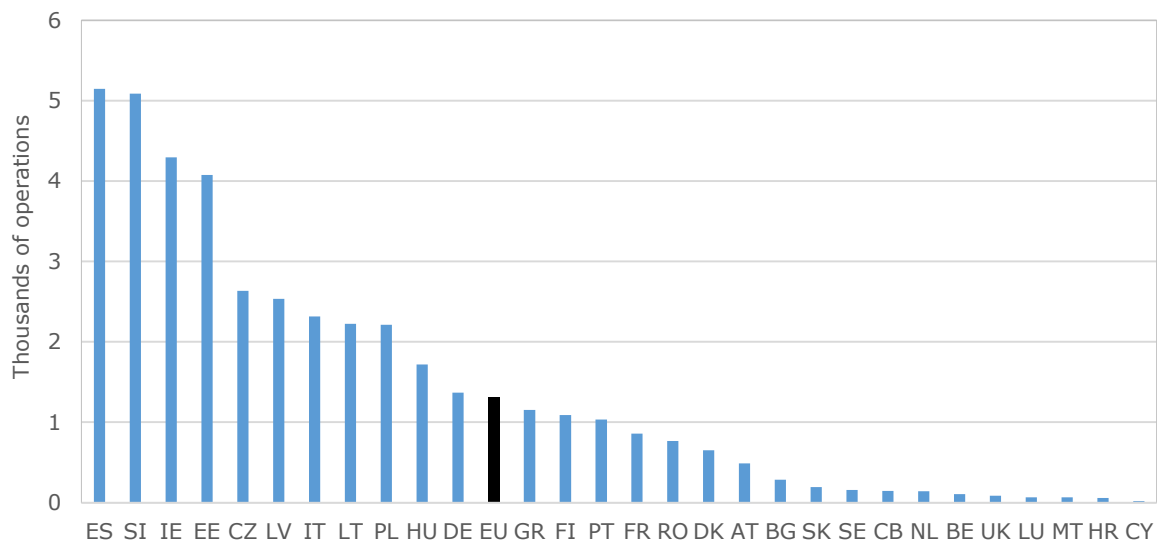
This section will provide a descriptive analysis of the contents of the data that was collected during Phase 2 of the project.

##### 3.1.1. Distribution of Operations across the EU

The average data file for an OP contains approximately 1,310 operations. Some files contained over 17,000 operations, while others contained as few as 1 completed operation. The number of operations per OP obviously depends on the area of support, the relevant eligibility rules and the number of OPs per country.

With 5,147 operations, Spain has the highest average number of operations per OP, followed by, Slovenia (5,086), Ireland (4,295), and Estonia (4,077). At the opposite end of the spectrum, there were a number of MS where the average number of operations per OP was fewer than 100, including the UK (84), Luxembourg (67), Malta (65), Croatia (59), and Cyprus (16).

**Figure 8: The average number of operations per OP per Member States**



At the MS level, the pattern changes in terms of the total number of operations. Some smaller MS like Cyprus, Malta, and Luxembourg remain at the low end of the distribution, and some large MS such as Spain and Italy remain high in the number of total operations. Others, such as France, Greece, Poland and Hungary jump from the middle to the front of the pack. Furthermore, Spain distinguishes itself as a clear outlier with 118,384 total operations, almost three times time the next highest number (Italy with 41,651 operations). Figure 9 provides a ranking of the number of operations per MS across the EU, excluding operations in Cross-border programmes

<sup>16</sup> It is important to note that because of missing data fields that the totals might not necessarily add up in each analysis. For example, total costs for operations with no priority theme provided were not incorporated in the analysis relevant to priority themes. The parameters of the database have been listed in Appendix B.

(because of the limitations regarding the tracking of "Member State" for Cross-Border OPs, these have not been taken into consideration).

**Figure 9: The number of operations by Member State**

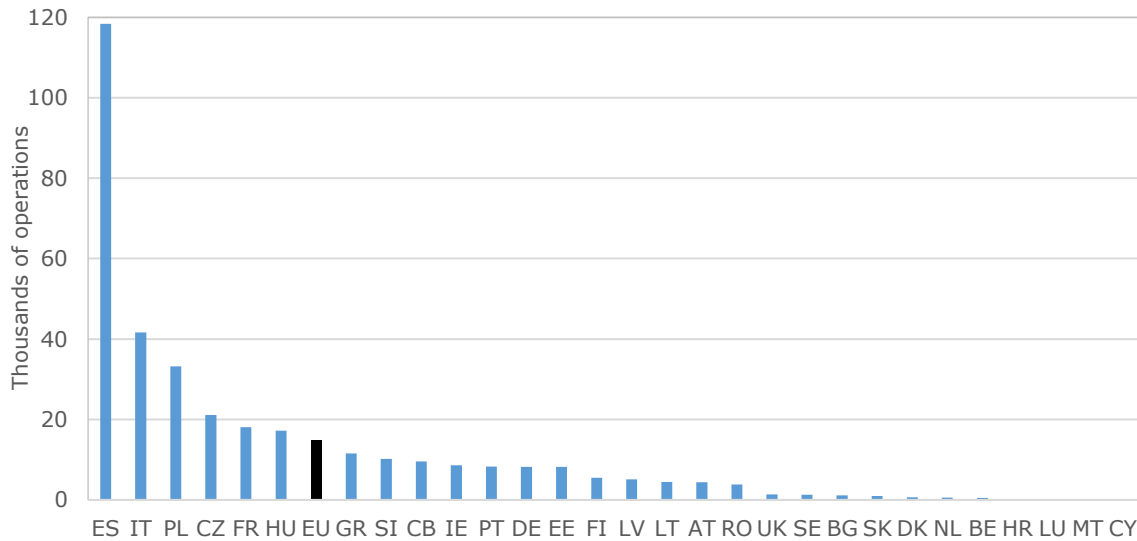
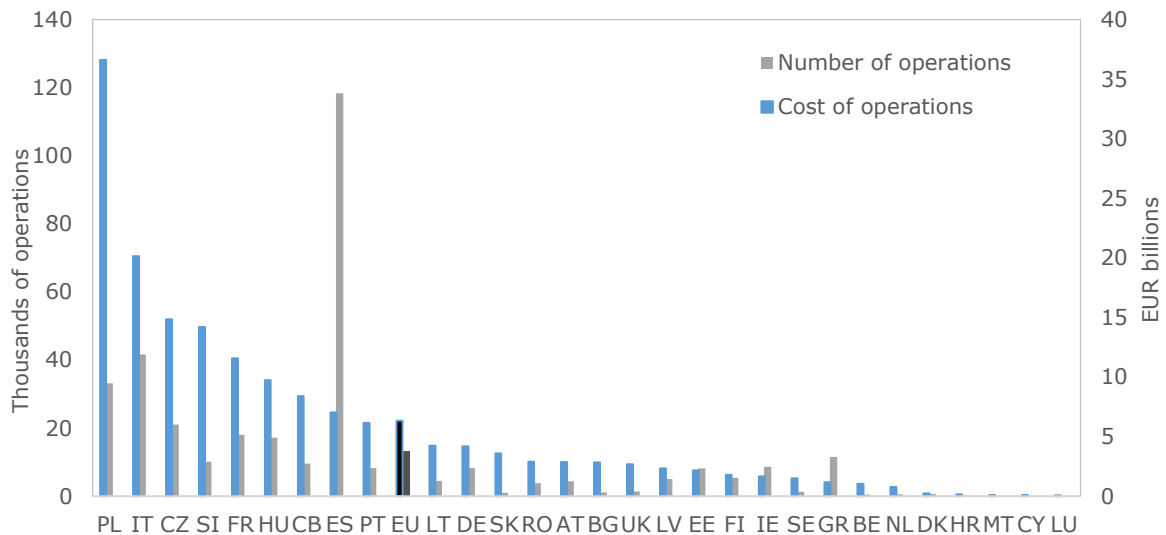


Figure 10 illustrates the distribution of operations across Member States by number and total cost (ordered by decreasing number of operations). This comparison shows the existence of a spread between the number of operations carried out and the cost they imply which directly affects the average cost per operations.

**Figure 10: The total cost and number of operations by Member State**



Regarding the distribution of the cost of operations per MS based on the collected data (excluding operations in Cross-border programmes), the content of the database suggests that the greatest total cost of operations was concentrated in larger MSs with several Convergence regions, such as Poland, Italy, and the Czech Republic, with France being an exception. It should also be noted that only Poland (EUR 36.6 billion) and Italy (EUR 20.1 billion) EUR have total costs of all operations exceeding EUR 20 billion.

Figure 11 shows that with EUR 5.77 million the average total cost per operation is very high in Cyprus compared to other MS. At the opposite, some countries have a very low average total cost of operation such as Spain (EUR 59,488), Greece (EUR 101,373),

and Ireland (EUR 192,283). The average cost per operation on EU-level is EUR 1,213,396.

**Figure 11: Average cost per operation by Member State**

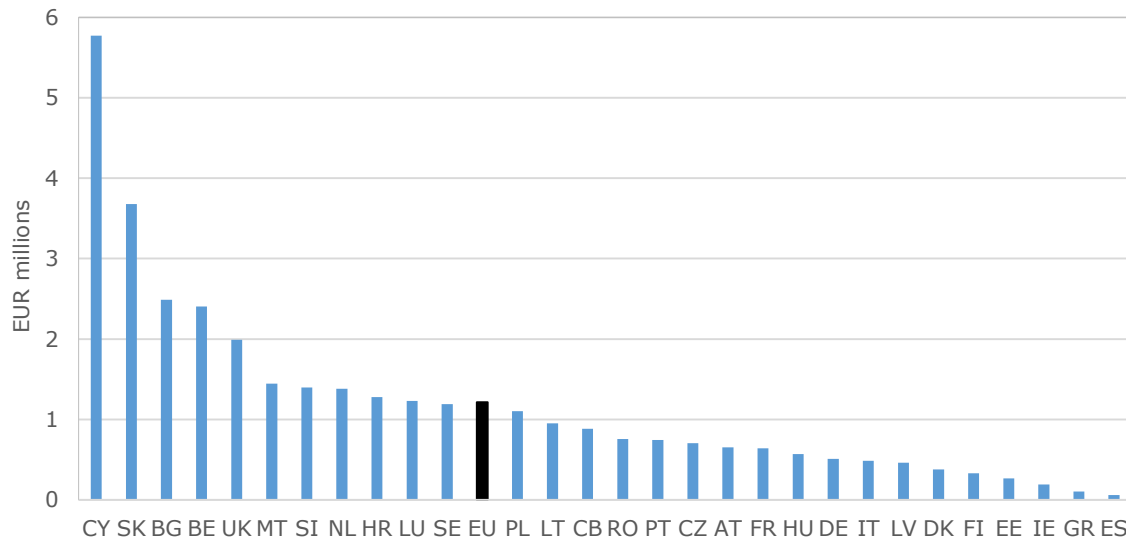
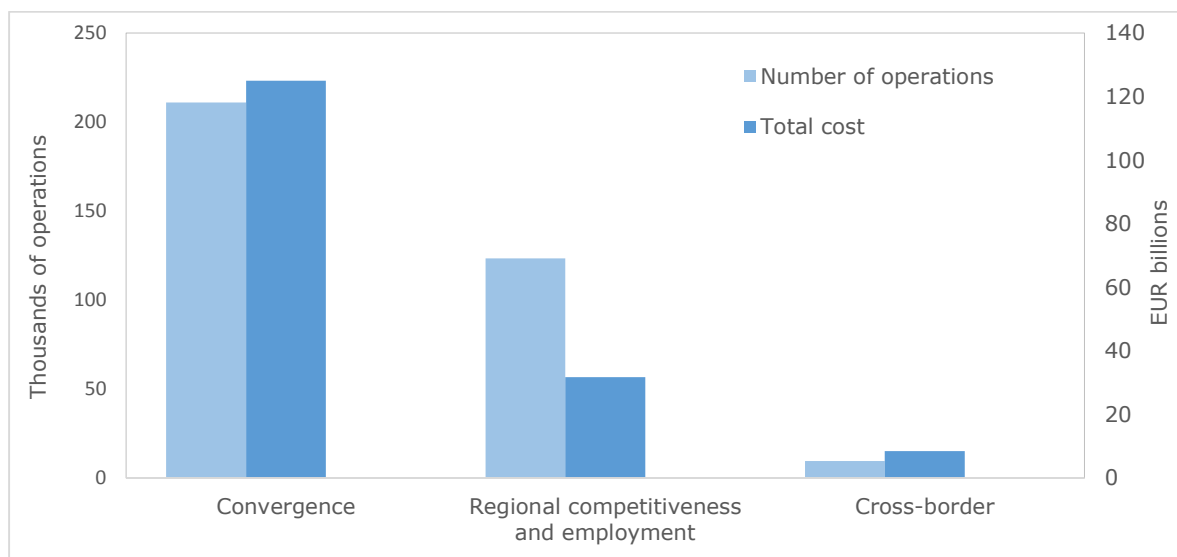


Figure 12 shows the distribution of operations by category of region by both the number of operations and their total cost. The figure indicates that Convergence regions hosted the greatest number of operations, and accounted for the majority of operations both in terms of total cost (76%) and number of operations (61%). Regional Competitiveness and Employment operations, in contrast, accounted for only about one third of operations by number and less than one fifth by total cost. These operations also had a lower average cost, with an average total cost of EUR 257,527 per operation vs EUR 592,337 in Convergence regions. Cross-border operations represent the smallest proportion both in terms of total cost and in terms of number of operations.

**Figure 12: The distribution of operations among categories of regions by number and total cost**

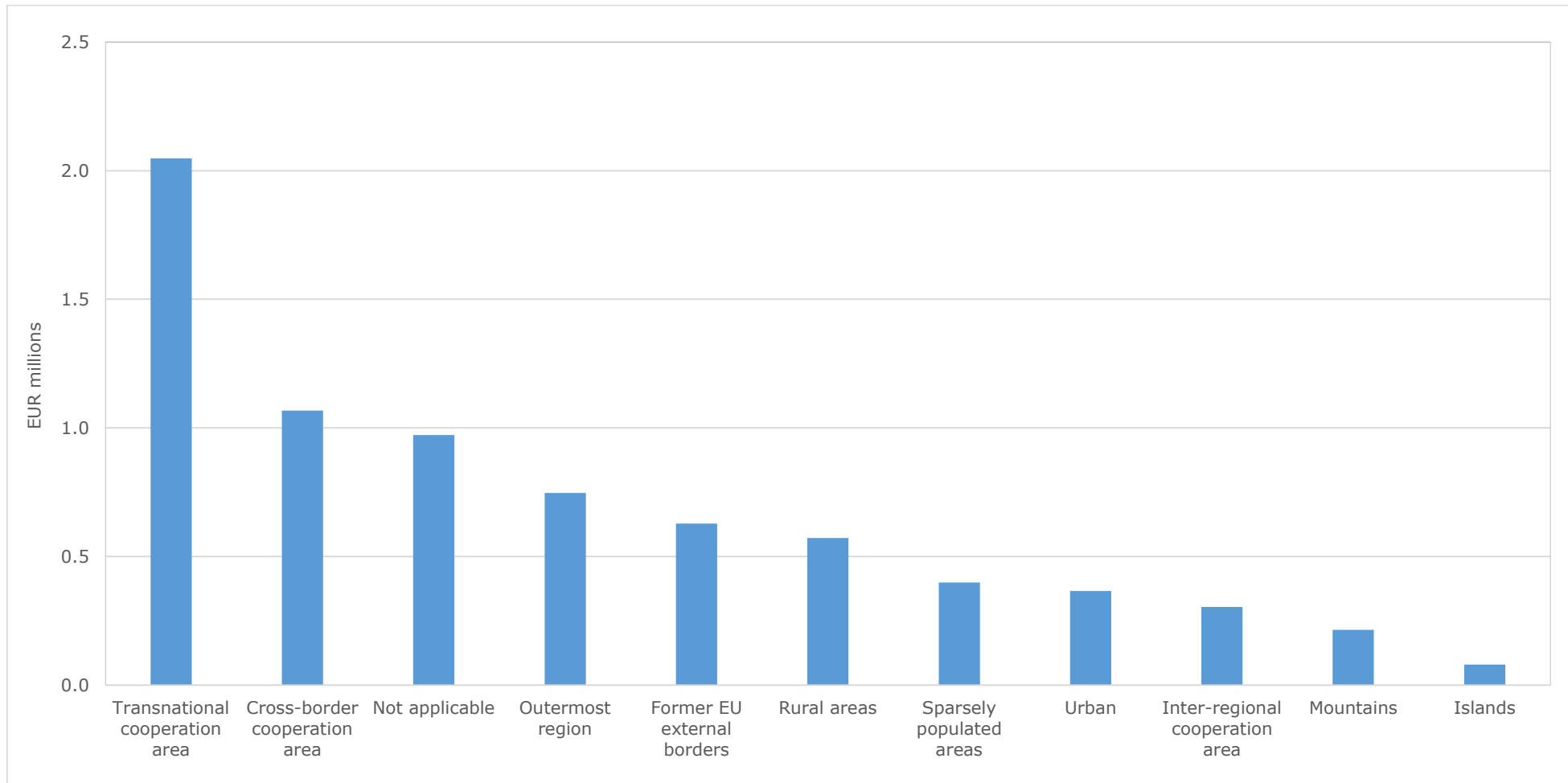


Considering average cost of operations by territory dimension, "Transnational cooperation area" stands out at the high end at EUR 2,047,237<sup>17</sup>. This is likely because the costs are driven up from being geographically spread between two or more countries. At the other end of the spectrum, the territorial dimensions "mountains" and "islands" had the lowest average cost per operation at EUR 214,856 and EUR 79,832, respectively.

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<sup>17</sup> The category "not applicable" corresponds to code "00" of table 3 of Annex III of Regulation (EC) No 1828/2006

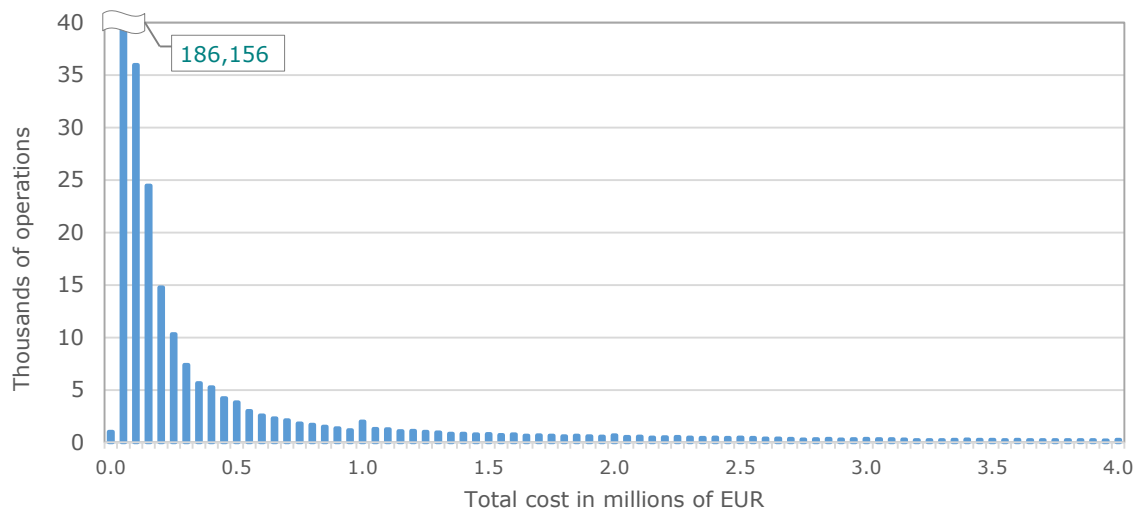
**Figure 13: Average cost per operation by Territorial Dimension**





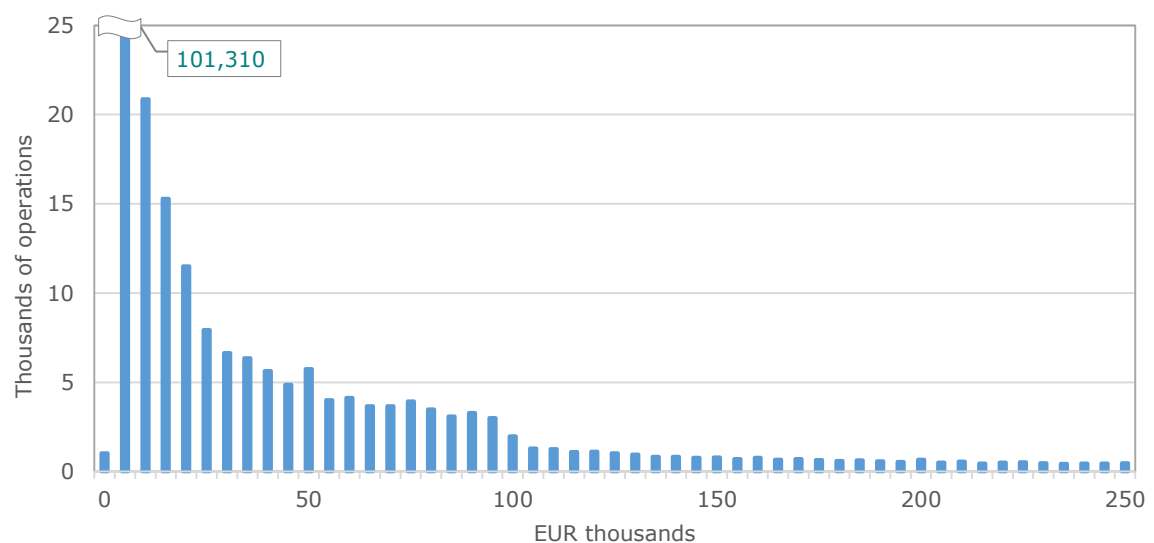
Finally, the distribution of the total cost of operations was considered. Figure 14 shows the distribution of operations by total cost using number of operations. The distribution of operations is clearly divided between a very large number of small value contracts, with 54% of operations worth less than EUR 50,000, and very small number of higher value contracts.

**Figure 14: The distribution of operations by total cost per operation**



Given the split in the data, a close up of the low end of the distribution is provided in Figure 15 below for greater detail. Since the objective of this distribution is to provide greater detail on the beginning of the distribution, it is calculated using intervals of EUR 20,000 (instead of EUR 50,000) which explains the differences between the second bars in Figures 15 and 16. It is worth noticing that 44% of operations are worth less than EUR 20,000 as indicated by this specific analysis using smaller intervals.

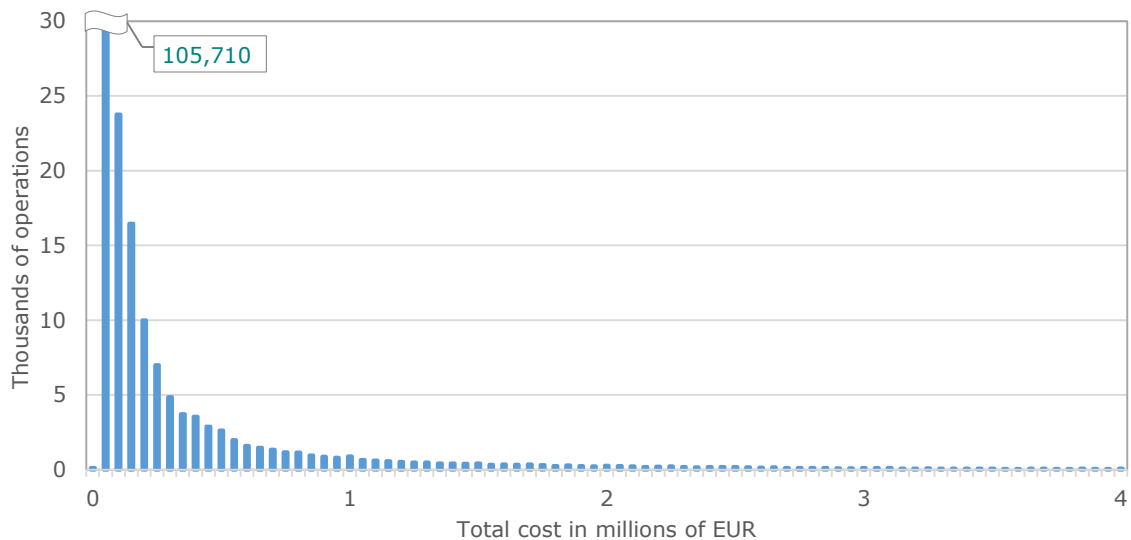
**Figure 15: The distribution of operations by total cost per operation**



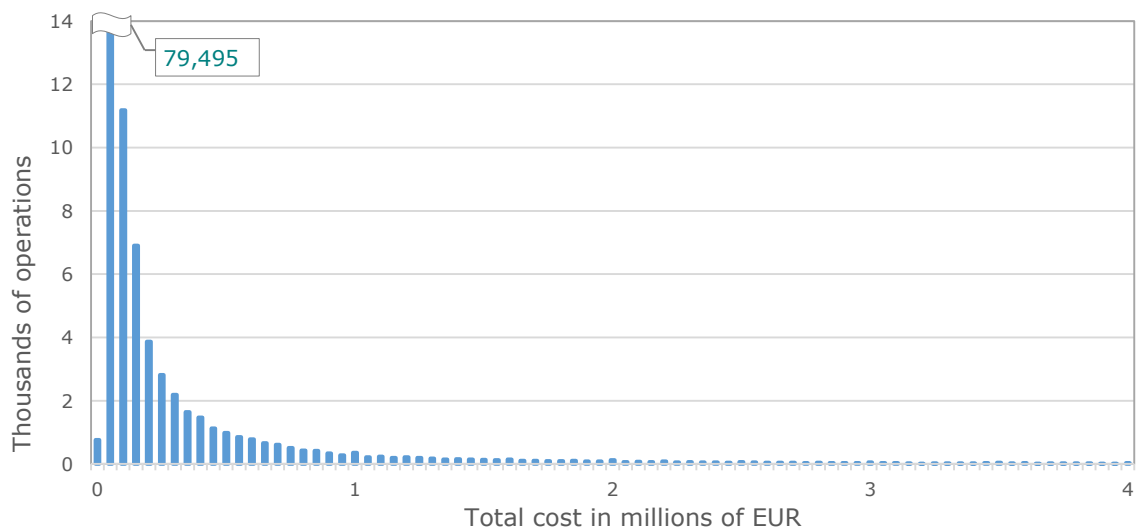
The distribution of total cost per operation was also analysed along the category of regions. The distributions of operations across "Convergence", "Regional Competitiveness and Employment", and "European Territorial Cooperation" regions,

presented in Figure 16, Figure 17, and Figure 18, respectively, mirror the aggregate EU wide data, in the sense that these distributions are characterised by a concentration of projects around small values indicating that in each case, there is a relatively large number of operations with low total cost, with a long series of individual operations of high value indicating relatively small numbers of operations as the total cost increases,

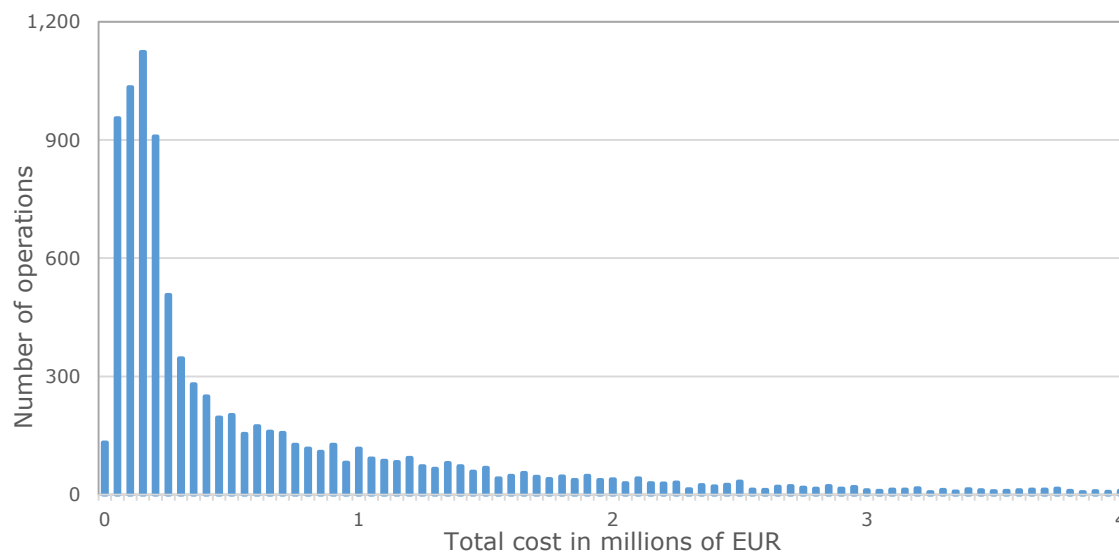
**Figure 16: The distribution of operations in Convergence regions by total cost per operation**



**Figure 17: The distribution of operations in Regional Competitiveness and Employment regions by total cost per operation**



**Figure 18: The distribution of operations in ETC regions by total cost per operation**



### 3.1.2. Form of financing

With regards to the four different forms of finance employed in the 2007-2013 Programming Period, it is clear from the analysis of the collected data that non-repayable aid was the preferred form of finance for the overwhelming majority of operations by both total cost (95%) and number of operations (99%). It must be noted that repayable forms of financing cannot be equated with financial instruments. Also, the encoding practices of repayable assistance vary from MS to MS, for example with regard to the category "other forms of finance" the criteria of encoding operations vary substantially from MS to MS.

**Table 5: The forms of finance of operations in the database**

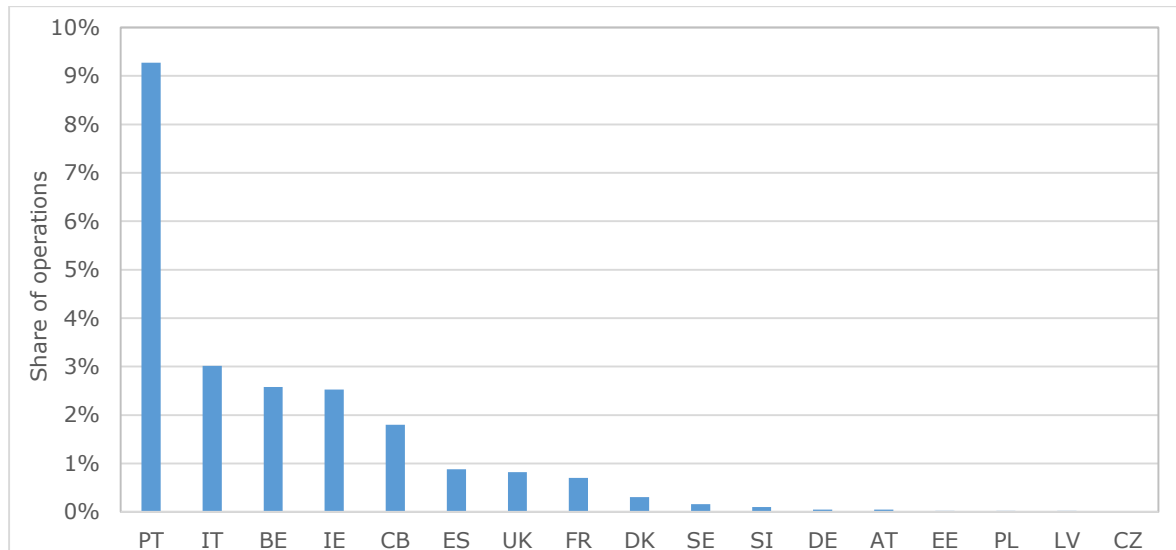
Form of finance	Number of operations	Total cost of operations (EUR)
Non-repayable aid	309,497	150,526,490,753
Aid (loan, interest subsidy, guarantees)	3,437	7,412,640,345
Venture capital (participation, venture-capital fund)	146	1,474,554,266
Other forms of finance	23,812	2,451,151,687
<b>Total</b>	<b>336,892</b>	<b>161,864,837,051</b>

In term of number of operations, the MS that made the most extensive use of repayable forms of financing was Portugal (9.3%)<sup>18</sup>. Italy used repayable forms of

<sup>18</sup> For this analysis, repayable aid is defined as Form of Finance Categories 2 and 3 (Aid and Venture capital, respectively). Category 4, Other forms of finance, is ambiguous, and could potentially contain some repayable forms aid. As such, the figures presented should be considered a conservative estimate.

finance for 3.0% of its operations, followed by Belgium (2.6%) and Ireland (2.5%). Beyond that, the use of repayable forms of finance becomes quite marginal, with 11 MS not using them at all. Note that the two figures below omit the 11 MS that made exclusively use of non-repayable aid as a form of finance.

**Figure 19: Use of repayable aid by Member State as a share of operations**

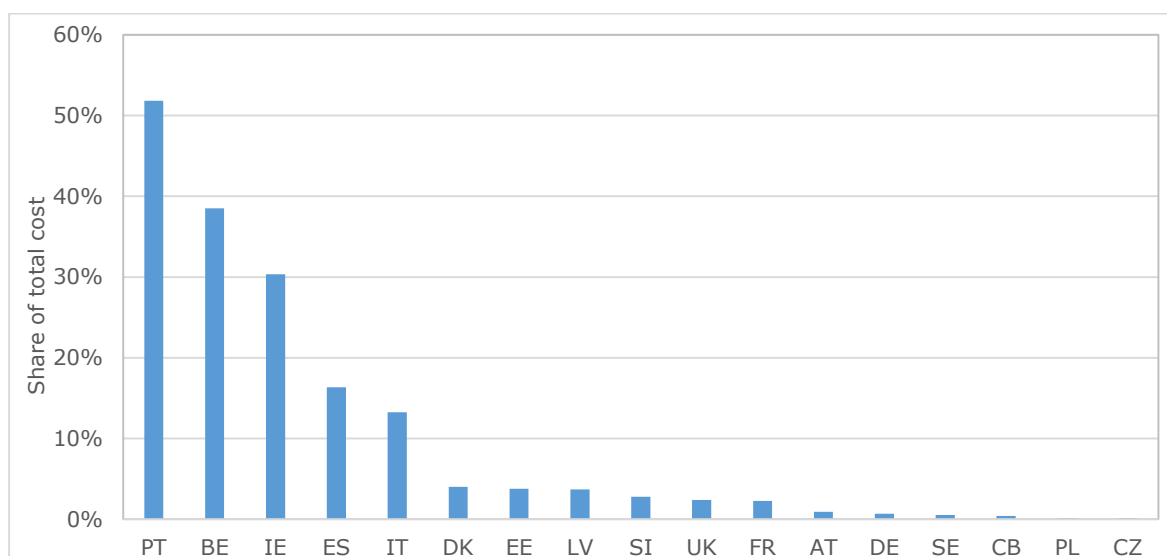


In Portugal, repayable aid accounted for 52% of total cost of operations (excluding operations listed as "other form of finance"). This is followed by Belgium (39%), Ireland (30%) and Spain (16%). While Italy is ranked as the MS with the second highest number of operations using repayable forms of finance (5.5%), in terms of total cost it ranks fifth with 13%. Figure 20 includes a number of MSs where the share of operations using repayable forms of finance is very small, including Poland and the Czech Republic with 0.1%.

These numbers confirm the fact that repayable aid cannot be equated with financial instruments. Neither Ireland nor any of the cross-border cooperation programmes have had a financial instrument in the 2007-2013 period; however, they appear in figure 19. This can be explained with the fact that operations which are not financial instruments in a legal sense can be encoded for example under "other forms of finance" or under "Aid (loan, interest subsidy, guarantees)".<sup>19</sup> In the case of Portugal, a considerable amount of support is granted under repayable assistance schemes, which cannot be considered financial instruments.

<sup>19</sup> "Table 2: Codes for the form of finance dimension" for the 2014-2020 period is clearer in this respect: 01=Non-repayable grant; 02= Repayable grant; 03= Support through financial instruments: venture and equity capital or equivalent; 04= Support through financial instruments: venture and equity capital or equivalent; 05= Support through financial instruments: loan or equivalent; 06= Support through financial instruments: guarantee or equivalent; 07= Support through financial instruments: interest rate subsidy, guarantee fee subsidy, technical support or equivalent; 08= Prize, see Annex to Regulation EU 184/2014.

**Figure 20: Use of repayable aid by Member State as a share of total cost**



### 3.1.3. Priority themes

Figure 21 shows the distribution of operations by categories of priority themes, shown as a percentage of the total number of operations and total cost of operations. As can be seen from the pie chart, the highest number of projects by both number of operations (58%), and total cost (38%) was funded under the priority theme "research and technological development (R&TD), innovation and entrepreneurship".

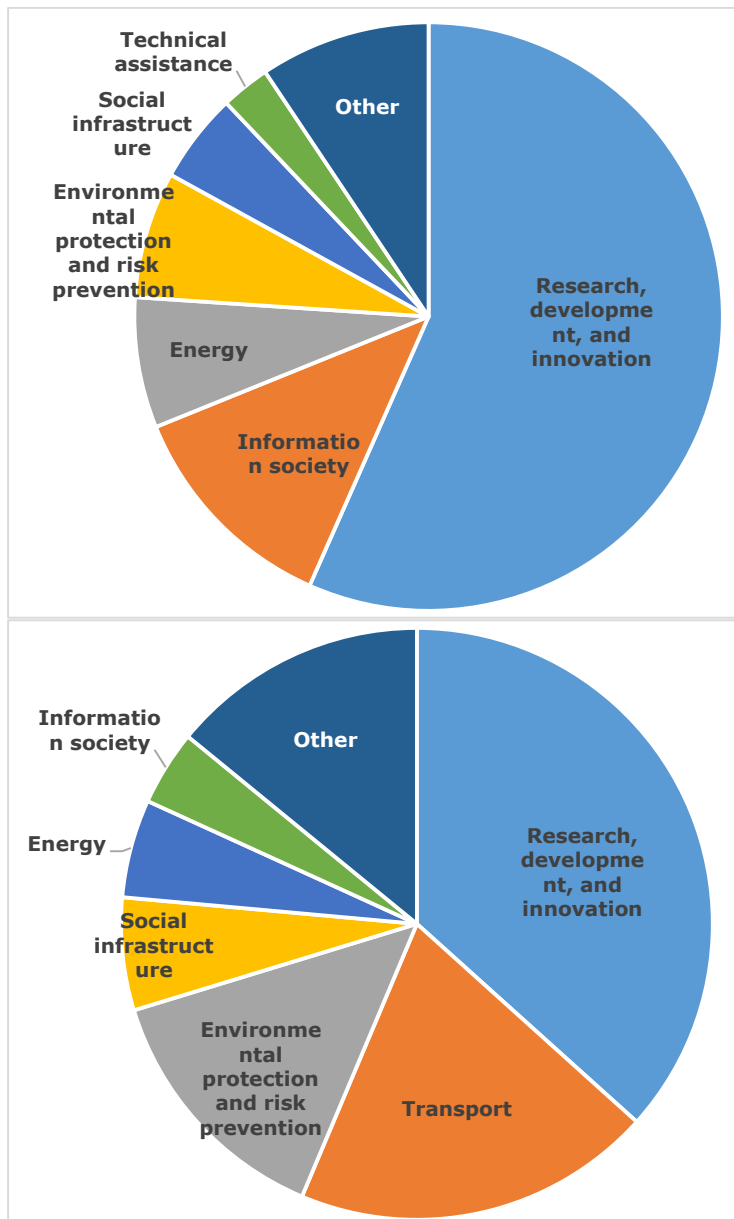
The remaining grouping of priority themes which are listed under "other" in both figures are as defined in Table 1 of Annex II of the Regulation 1828/2006:

- Culture;
- Reduction of additional costs hindering the outermost regions development;
- Improving human capital;
- Strengthening institutional capacity at national, regional and local level;
- Mobilisation for reforms in the fields of employment and inclusion;
- Improving access to employment and sustainability;
- Increasing the adaptability of workers and firms, enterprises and entrepreneurs;
- Improving the social inclusion of less-favoured persons.

"Transport" features as a separate category in the lower chart but is included in the category "other" in the upper chart, while "information society" features in the category "other" in the upper chart but is included as a separate category in the lower chart.

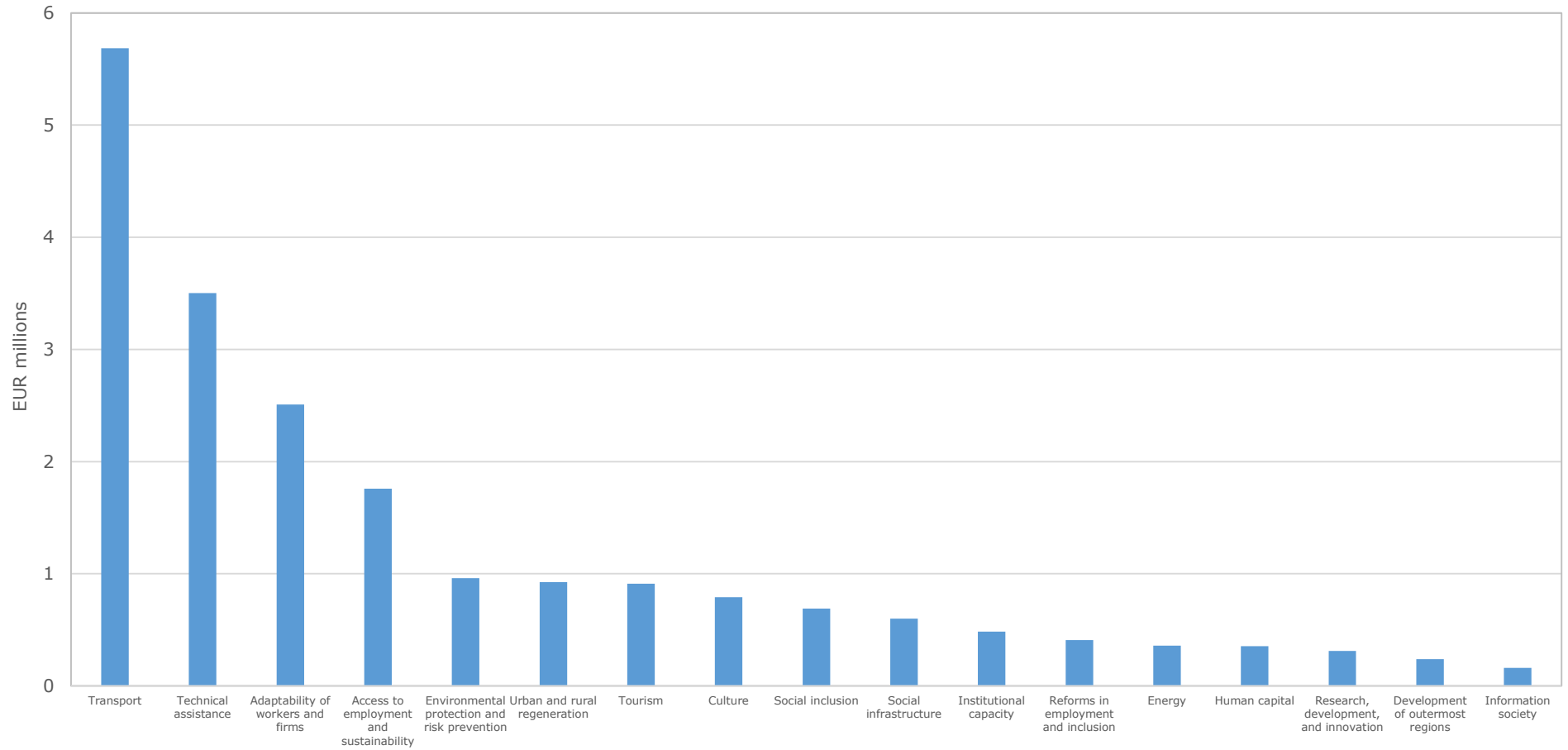
As mentioned above, it should be noted that it is possible that this distribution is influenced by the fact that data analysed is only for completed operations. Should all operations have been taken into consideration, the share concerning transport or environment could well be greater as these are generally projects with higher volumes and longer timeframes.

**Figure 21: The most prevalent priority theme groupings by number of operations (top) and total cost of operations (bottom)**



While the operations within the priority theme grouping “Transport” had the second highest total cost in this sector, these operations had the highest average cost (EUR 5.6 million) as shown in Figure 22. This is consistent with the nature of infrastructure projects. The priority themes grouping with the lowest average cost per operation were “Information Society” and “Development of outermost regions” at EUR 160,670 and EUR 238,528 respectively.

**Figure 22: Average cost per operation by priority theme**



**Figure 23: The top six priority themes by total cost**

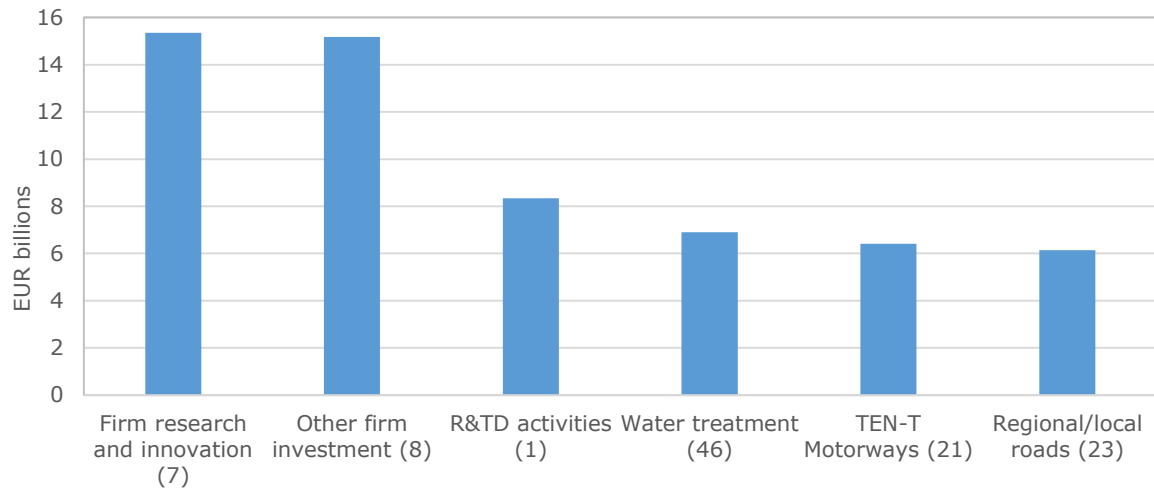
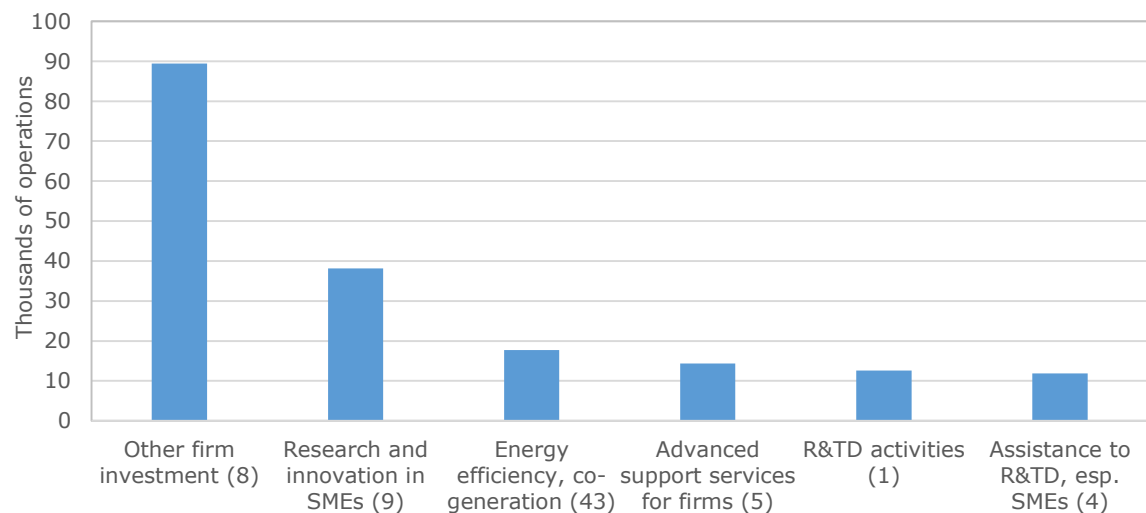


Figure 24 shows the top six priority themes in terms of number of operations. Given the prevalence of the grouping of investments into R&TD, innovation and entrepreneurship, it is of little surprise to see all priority themes (including the most important one "other investment in firms") belonging to this grouping in the top six, with the exception of energy efficiency. As compared to figure 23 it is interesting to note that the top category in terms of total cost "investment in firms directly linked to research and innovation" does not feature at all in the top six priority themes by number of operations. On the other hand, the category "other investment in firms" is among the two top categories in both figures.

**Figure 24: The top six priority themes by number of operations**

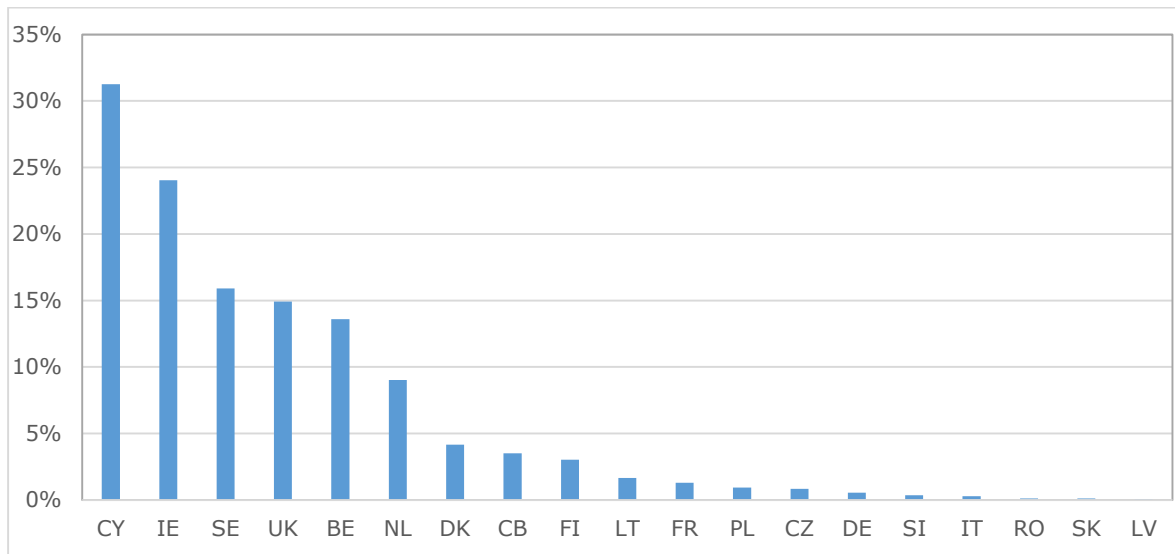


### 3.1.4. Revenue generating operations

The proportion of operations that included a revenue generation element, resulting in deductions, was also analysed. Figure 25 below shows the share of each MS's total operations that were revenue generating. As reflected in the below bar graph, the revenue generating operations are highly concentrated, surpassing 5% of operations in just six MSs: Belgium, Cyprus, Ireland, the Netherlands, Sweden and the UK. It is worth noting that all five of these MSs contain predominantly "Regional Competitiveness and Employment" regions.

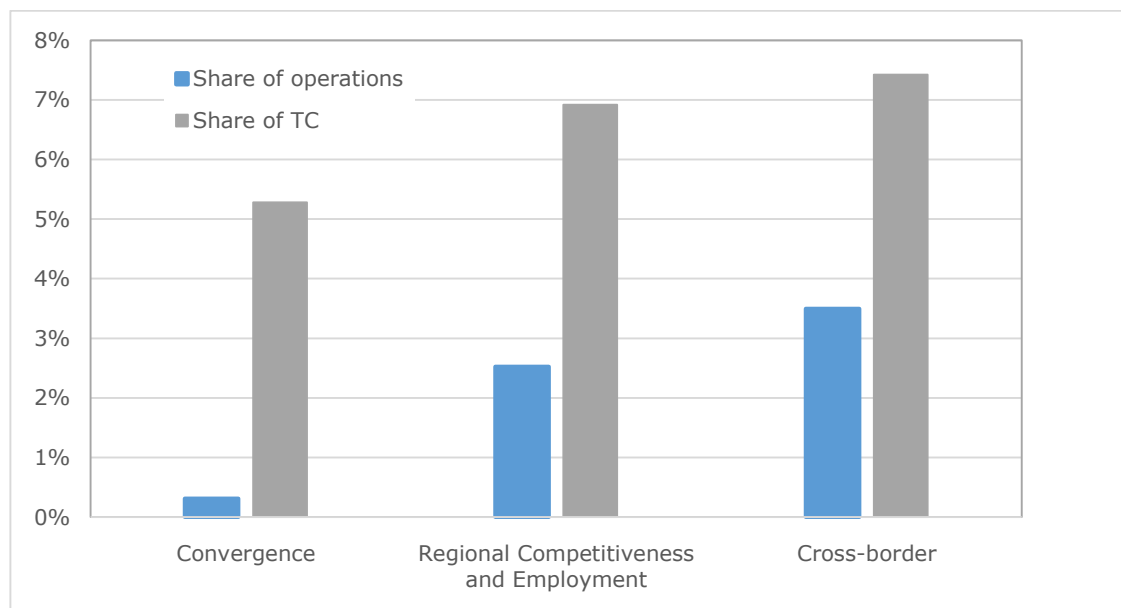


**Figure 25: The share of revenue generating operations for each Member State**



However, Figure 26 shows that while Regional Competitiveness and Employment regions implemented the greatest number of revenue generating operations, Convergence regions accounted for the bulk of operations by cost.<sup>20</sup>

**Figure 26: The distribution of revenue generating operations and their cumulative total cost by category of region**



### 3.1.5. Major projects

According to the rules applicable to the 2007-2013 programming period, major projects are any project for which the total eligible expenditure is greater than EUR 50,000,000 (see Art. 39 of Regulation 1083/2006). The distribution of operations that could constitute major projects in the database was also analysed. The majority of these, 133 are found in Convergence regions, where there is a greater need for projects requiring such large sums of investment, like infrastructure projects for

<sup>20</sup> As explained above, MAs from Austria and Spain were unable to provide data for this field

example. According to the contents of the database, 22 major projects were located in Regional Competitiveness and Employment regions, and 3 in Cross-Border programmes.

**Table 6: Distribution of major projects and their cumulative total cost by category of region**

Category of region	Number of major projects	Total cost of all operations (EUR millions)
Convergence	201	29,945
Regional Competitiveness and Employment	29	3,401
Cross-border	7	702
<b>Total</b>	<b>237</b>	<b>34,048</b>

### 3.1.6. Main conclusions of the descriptive analysis of the collected data

The amount of data collected as part of this study has allowed to develop a statistically representative database on the operations supported through ERDF and CF in the 2007-2013 period. This is down to the overall high level of participation of the MAs across Europe to this study, without which this would not have been possible.

The database allows for a robust descriptive analysis at the EU level. However, it should be noted that MS level analysis is less robust for those MS for which less data was collected, particularly Germany and Italy.

**The average total cost per operation varies significantly by Member State.** It ranges from Spain (EUR 59,488) and Greece (EUR 101,373) to Slovakia (3.68 million) and Cyprus (EUR 5.77 million). The EU average is EUR 1.21 million

**The distribution of operations shows a very large number of small operations** and a very small number of higher value contracts in terms of total cost. It is worth noting that 52% of operations are worth less than EUR 50,000 and that 44% of operations have total cost of even less than EUR 20,000. Less than 4% of the operations are above EUR 2 Mio.

The **highest number of operations** can be found in priority themes "research, development and innovation" (57%), information society (12%) and "energy" and "environment protection and risk prevention" (both 7%). The **operations with the highest total cost** can be found in priority themes "research, development and innovation" (37%), "transport" (20%) and "environment protection and risk prevention" (14%).

The priority theme grouping "transport" had the **highest average cost** of operations in this sector (EUR 5.6 million). This is consistent with the nature of infrastructure projects. The priority themes grouping with the **lowest average cost** per operation were "Adaptability of workers and firms" and "Social Inclusion" at EUR 239,211 and EUR 161,732 respectively.

### 3.2. Threshold analysis

This section will present the findings of the analysis of the impact of the thresholds on the population of the database. This includes the statistical methodology employed to estimate the missing data for OPs that were not collected or for which the request was denied.

#### 3.2.1. Estimation of missing data

As described in Section 2 above, of the 320 OPs funded by ERDF and CF in the 2007-2013 programming period that were the focus of this study, 261 data files were collected. In order to give a more comprehensive estimate of the effects of the six thresholds under investigation in this study, the total cost, number of operations and their distribution were estimated for the 59 missing OPs. What follows is a brief description of the estimation methodology used.

The estimation was performed in two stages. The first stage of the process was to arrive at the number of operations, total cost and total eligible expenditure for each of the OPs based on the observed database and ERDF and CF funds allocations using an ordinary least squares (OLS) regression. The regression was conducted with a robust variance to control for country fixed effects.

The variables used for estimation purposes were the total cost per OP, the total eligible expenditure per OP, the total number of projects per OP, and the initial decided allocation per OP. The correlations between these variables is provided in Table 7.

**Table 7: Correlations between variables used for estimation purposes**

Variable	Total cost per OP	Total eligible expenditure per OP	Initial decided allocation per OP	Total number of projects per OP
Total cost per OP	1			
Total eligible expenditure per OP	0.5088	1		
Initial decided allocation per OP	0.6427	0.3375	1	
Total number of projects per OP	0.4402	0.4348	0.2837	1

Three distinct estimation models were used to analyse the total cost per OP, the total eligible cost per OP, and the total number of projects per OP separately. These models addressed:

1. The estimation of the **total number of projects** per OP, based on the initial decided allocation per OP, the total cost per OP, and the total eligible expenditure per OP.
2. The estimation of the **total cost** per OP, based on the initial decided allocation per OP and the total eligible expenditure per OP.
3. The estimation of the **total eligible expenditure** per OP, based on the initial decided allocation per OP and the total cost per OP.

Results from these analyses indicate an  $R^2$  coefficient of 0.43 in the case of the estimation of the total number of projects per OP (model 1), an  $R^2$  coefficient of 0.345 in the case of the estimation of the total cost per OP (model 2), and an  $R^2$  coefficient of only 0.21 in the case of the estimation of the total eligible expenditure per OP (model 3) indicating satisfactory (empirical) explanatory power in the first two models.

The coefficients of all regressors in models 1 and 2 (estimation of number of projects and total cost within each OP) are significant at the 1% level of confidence. In the case of model 3, none of the coefficients are significant, indicating that the null hypothesis (the regressors do not explain the total eligible expenditure per OP) cannot be rejected at even at a 10% level of confidence.

Regarding the estimation of the total number of projects (model 1), the estimators indicate that all things held equal, the change rate of the conditional mean of the total projects per OP is 0.858 units per million euro added as theoretical allocation. Furthermore, this change rate of the conditional mean of total projects per OP is nearly half 0.468 per million euro change of the total cost per OP, all things held equal.

It is important to notice that there is uncertainty around the estimates which indicates that at a 95% confidence interval, the real change rate of the conditional mean of total projects may fall between:

- 0.255 and 1.46 projects per million euro change of theoretical allocation;
- 0.253 and 0.683 projects per million euro change of total cost; and
- 0.0486 and 0.0712 projects per million euro change of eligible expenditure.

However, it is important to recall that the predicted values used for the estimation of the number of projects is calculated on the base of the estimated coefficients.

Concerning the estimation of the total cost (model 2), the coefficients indicate a change rate of the conditional mean that reflects, all things held equal, an increase of 0.626 euros of total cost per added euro of theoretical allocation at the OP level. In addition, the change rate of the total cost conditional mean indicates an increase of 0.038 euros per each additional euro of eligible expenditure.

It is also important to notice that there is uncertainty around these estimates reflected by the 95% confidence interval which, all things held equal, indicate that the real change rate of the conditional mean of total cost per OP may fall between:

- 0.25 and 0.99 euros of total cost per each additional euro of theoretical allocation;
- 0.024 and 0.053 euros of total cost per each additional euro of total eligible expenditure.

Finally, regarding the estimators of the total eligible expenditure (model 3), it is important to recall that no statistically significant linear dependence between the conditional mean of the total eligible expenditure was detected with regards to the theoretical allocation or the total cost per OP.

**Table 8: Model 1, estimation of the total number of projects**

Total number of projects per OP	Coefficient	Robust Standard Error	t statistic	P> t	95% Confidence Interval	
Initial decided allocation per OP	8.58E-07	2.95E-07	2.91	0.007	2.55E-07	1.46E-06
Total cost per OP	4.68E-07	1.05E-07	4.45	0	2.53E-07	6.83E-07
Total eligible expenditure per OP	5.99E-08	5.52E-09	10.85	0	4.86E-08	7.12E-08

**Table 9: model 2, estimation of the total cost**

Total cost per OP	Coefficient	Robust Standard Error	t statistic	P> t	95% Confidence Interval	
Initial decided allocation per OP	0.6261705	0.1794819	3.49	0.002	0.258518	0.993822
Total eligible expenditure per OP	0.0389581	0.0072371	5.38	0	0.024133	0.053782

**Table 10: model 3, estimation of the total eligible expenditure**

Total eligible expenditure per OP	Coefficient	Robust Standard Error	t statistic	P> t	95% Confidence Interval	
Initial decided allocation per OP	0.56629	0.7857	0.72	0.477	-1.0431	2.175724
Total cost per OP	3.143458	2.722759	1.15	0.258	-2.4338	8.720777

The second stage of the process involved replicating the distribution of the original observation of operations and their total cost and total eligible expenditure on the estimated total projects and total cost of the missing Ops which are based on the predicted values per OP obtained under the step 1 above. This distribution was estimated for each of the missing OPs individually using intervals of EUR 50,000 based on the distribution in the originally observed dataset to enable the data to be used for the threshold analysis below.

For the purposes of the threshold analysis below, estimated data is included wherever available, and indicated as such. For charts, observed data is represented in blue, and estimated data in grey.

### 3.2.2. Threshold overview

The thresholds assessed are listed in Table 11.

**Table 11: The six assessed thresholds**

Threshold No.	Parameter assessed	Level of the threshold
1	Total cost (revenue generating operations after completion)	EUR 1,000,000
2	Total cost (revenue generating operations during their implementation)	EUR 50,000
3	Total cost (major projects)	EUR 50,000,000 or EUR 75,000,000 if TO7
4	Total eligible expenditure (availability of documents)	EUR 1,000,000
5	Total eligible expenditure (maximum number of audits)	EUR 200,000
6	Amounts to be recovered	EUR 250

Figure 27 provides an illustration of the distribution of operations by total cost; the figure also indicates the place where the Thresholds No.1, and No.2 (respectively at EUR 50 thousand, EUR 1 million of total cost<sup>21</sup>) cut the distribution off representing the mass of operations above and below each threshold. The blue bars represent the number of operations grouped by their total cost using intervals of EUR 50,000, while the grey line represents estimated values.

**Figure 27: Overview of thresholds and estimated distribution of operations by total cost**

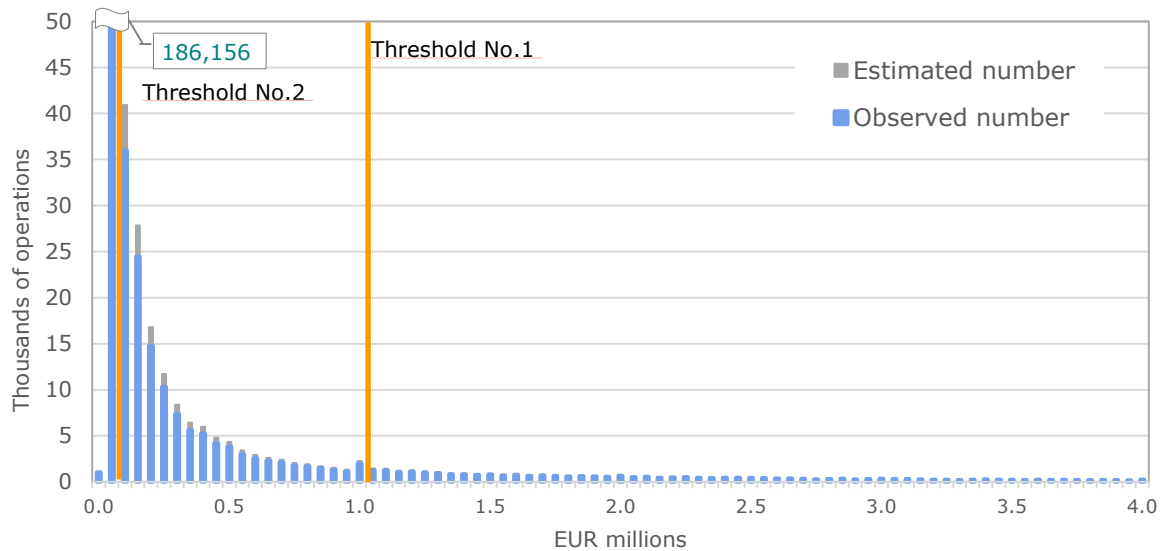
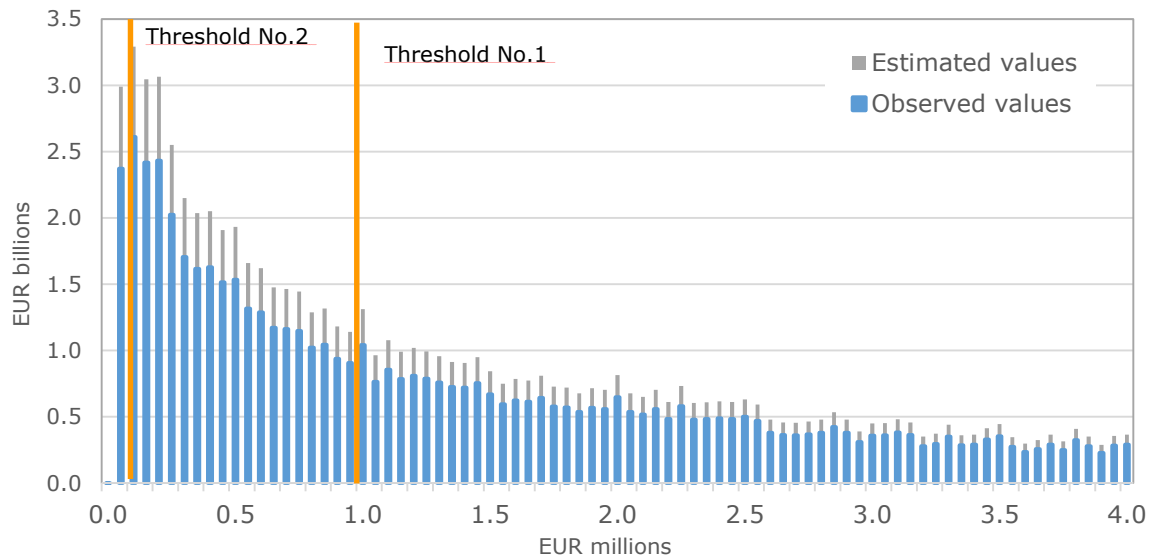


Figure 28 provides the distribution of value in terms of total cost. The distribution shows that the number of operations is concentrated around projects of small value with a considerable number of operations represented by projects that are below threshold No.1. Although this concentrations is less pronounced compared to the distribution of operations in number. This distribution also comprises a long series of operations represented by projects of higher value towards the right of the figure, indicating that as total cost increases, the value of operations is relatively steady around a given level.

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<sup>21</sup> It is important to note that some thresholds involve total cost, while others involve total eligible expenditure

**Figure 28: Overview of thresholds and estimated distribution of operations by total cost for total cost**



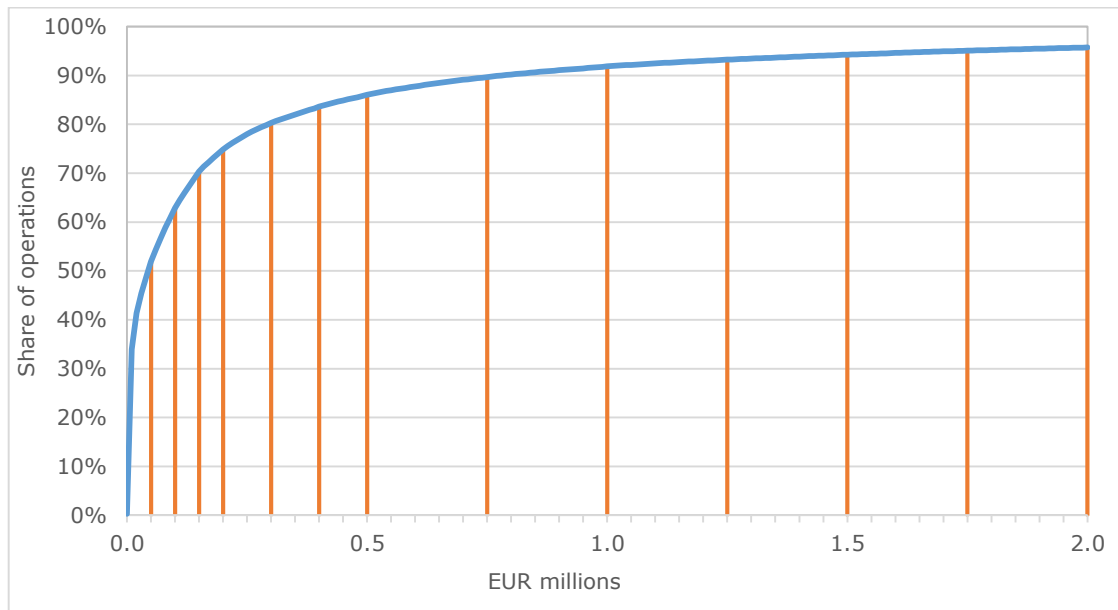
In the sub-sections that follow, more detailed analysis is provided for each of the six thresholds listed in Table 11, including the exact figures for the number and value of operations above and below each threshold globally, and along the other dimensions of the dataset, including by MS, Priority Theme, Category of Region and Territorial Dimension. The charts provided contain a higher level of detail than used for the overview above to give a better sense of the impact of the thresholds.

### 3.2.3. Cumulative distribution of operations

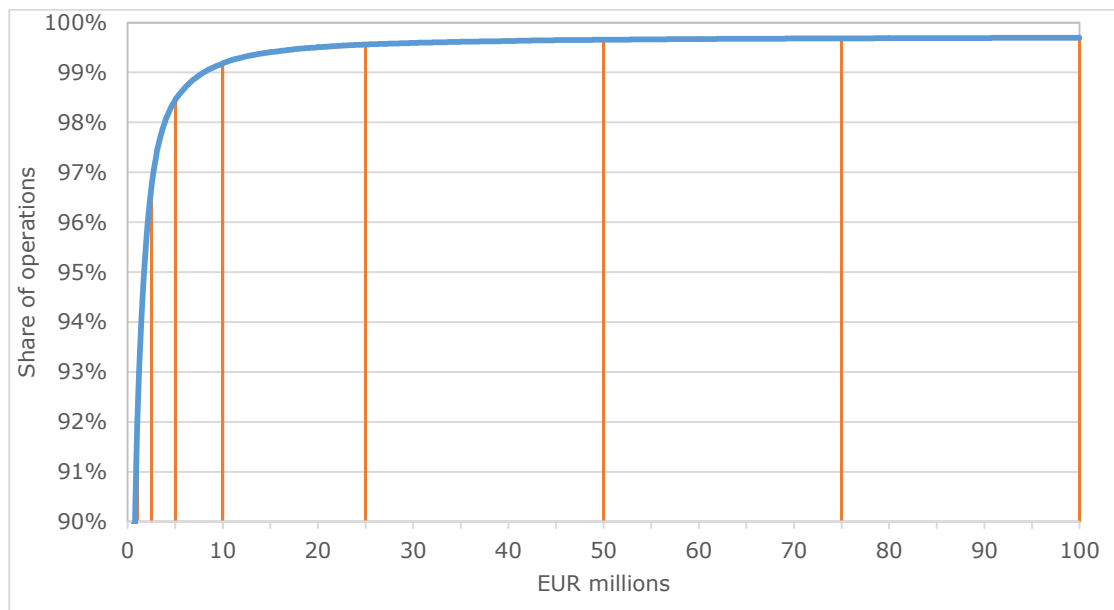
The purpose of this report is to understand the impacts of the Thresholds 1 to 6. The below section presents the cumulative distribution of the operations within the database in order to visualise the distribution. Detailed calculations of the impact of changes of the respective thresholds are provided in Annex C.

Figure 29 provides the cumulative number of operations with indicative values of EUR 50,000, 100,000, 150,000, 200,000, 300,000, 400,000, 500,000 and so on up to EUR 2 million; then Figure 30 complements this by providing the cumulative share of operations above indicative values of EUR 1, 2.5, 5, 10, up to 100 million. These figures illustrate the share of operations that fall below a specific threshold indicating, for example, that more than 96% of the operations fall below the threshold of EUR 2 million.

**Figure 29: Cumulative estimated distribution of operations**

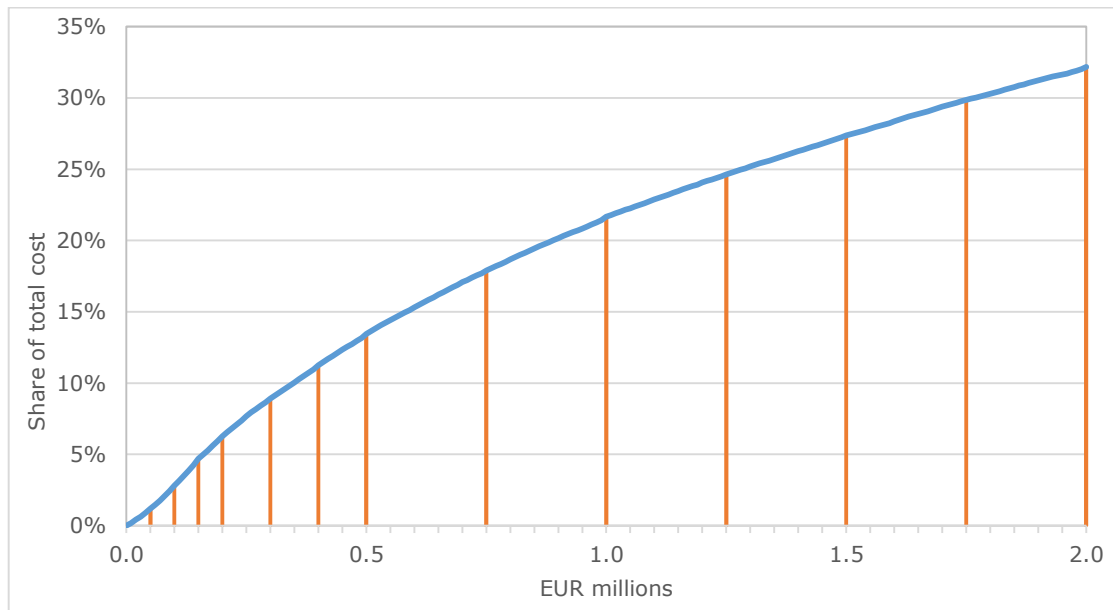


**Figure 30: Cumulative estimated distribution of operations**

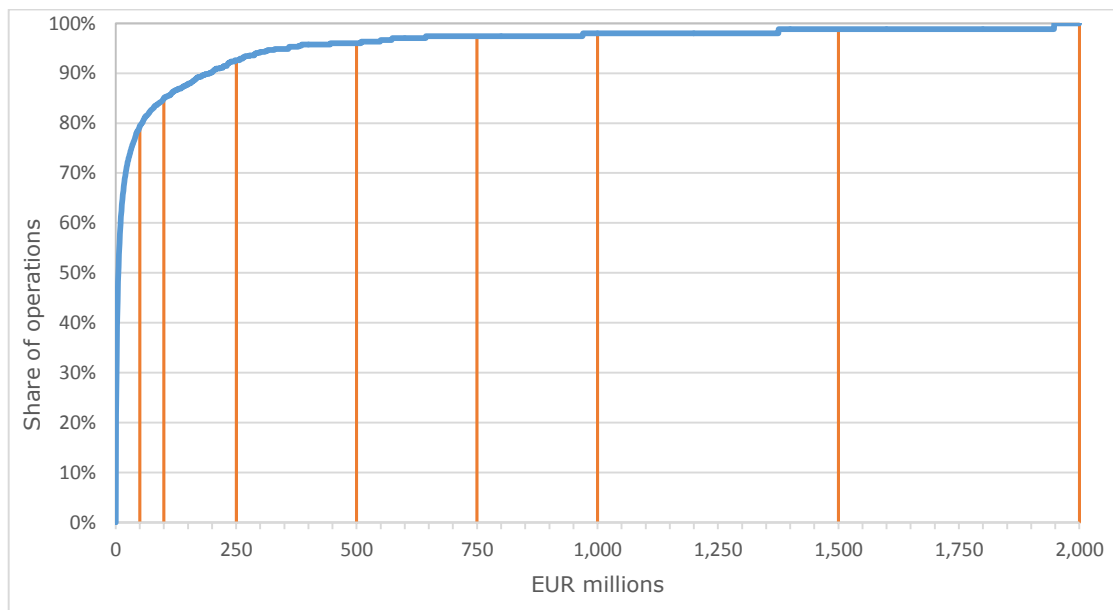




**Figure 31: Cumulative estimated distribution of operations by total cost**



**Figure 32: Cumulative estimated distribution of operations by total cost**



To complement the analysis, Figure 31 and Figure 32 provide the cumulative value of operations in terms of total cost at defined indicative values of EUR 50,000, 100,000, 150,000, 200,000, 300,000, 400,000, 500,000 and so on up to EUR 2 million; then at EUR 50 million, EUR 100 million, EUR 250 million and so on up to EUR 2 billion. For example, in figures 31 and 32 it is indicated that operations below EUR 2 million in total cost represent nearly all operations in terms of number but only 32% of the total value of all operations.

It is important to notice that a relatively large share of value is represented by operations falling between EUR 5, and 100 million, with a steep progression of the cumulative value between EUR 5 million and 30 million.

#### *3.2.4. Threshold No.1 – EUR 1,000,000 Total Cost*

According to Art. 61(7)(b) CPR the provisions on operations generating net revenue after completion don't apply to operations whose total eligible cost before the application of paragraphs 1 to 6 of Article 61 CPR does not exceed EUR 1,000,000. This means that operations below EUR 1,000,000 are exempted from determining the potential net revenue of the operation in advance – a simplification which reduces the administrative burden significantly.

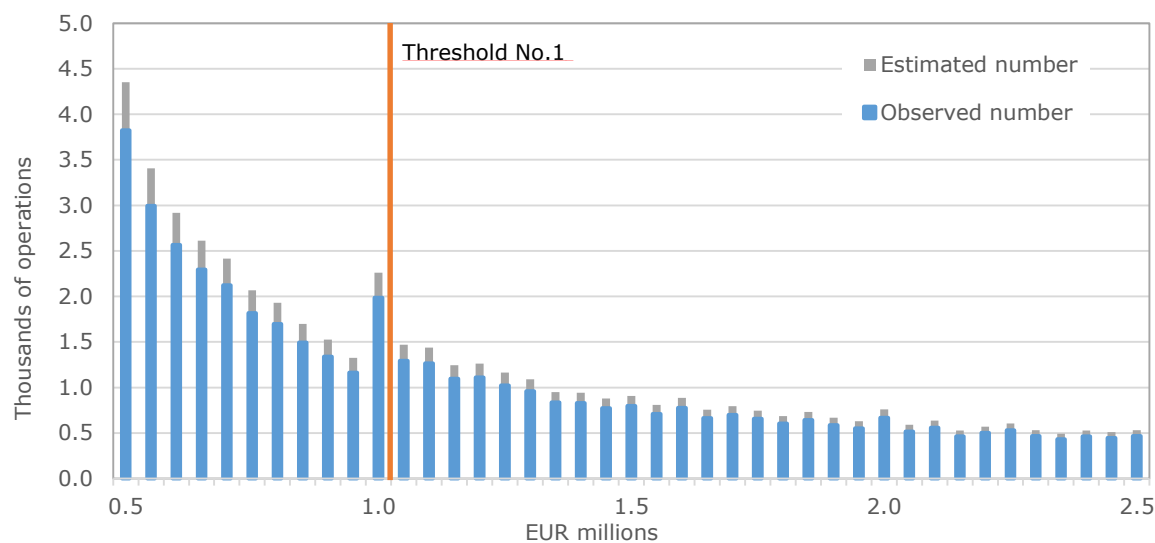
Table 12 shows that only 8% of all of the operations for which data was collected would exceed the threshold and would necessitate an additional administrative requirement. In value, the total eligible costs of operations above the threshold represent 78% of all the operations. These two key figures indicate that value in terms of total eligible costs is highly concentrated in operations above this threshold where less than a tenth of operations account for more than three quarters of value.

**Table 12: Estimated operations above and below Threshold No.1 (EUR 1,000,000 total cost)**

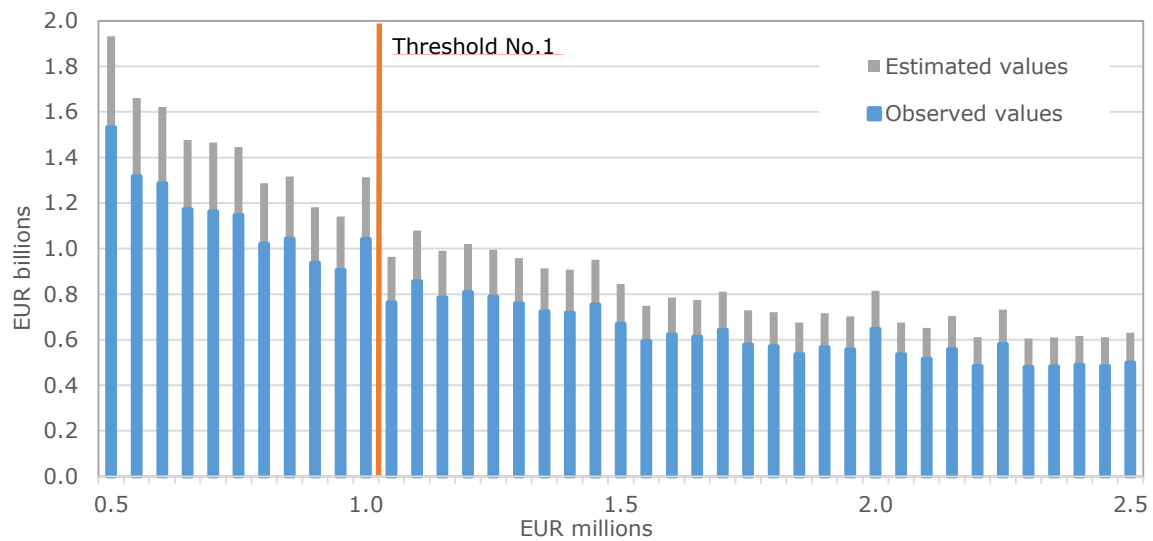
	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	31,721	8%	156,265	78%
Below threshold	359,051	92%	43,211	22%
<b>Total</b>	<b>390,772</b>	<b>100%</b>	<b>199,476</b>	<b>100%</b>

The respective distributions of operations and value around Threshold No.1 are presented in Figure 33 and Figure 34 below. As expected, with most of the operations falling below the threshold, the distribution of operations is concentrated towards small value projects with many operations falling below the threshold, while the number of operations considerably decreases as their value increases. In the case of value distribution, this concentration is less pronounced, with much more value represented by projects with higher eligible expenditure, which accounts for the fact that most of the cumulative value falls above the threshold.

**Figure 33: Estimated distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by number**

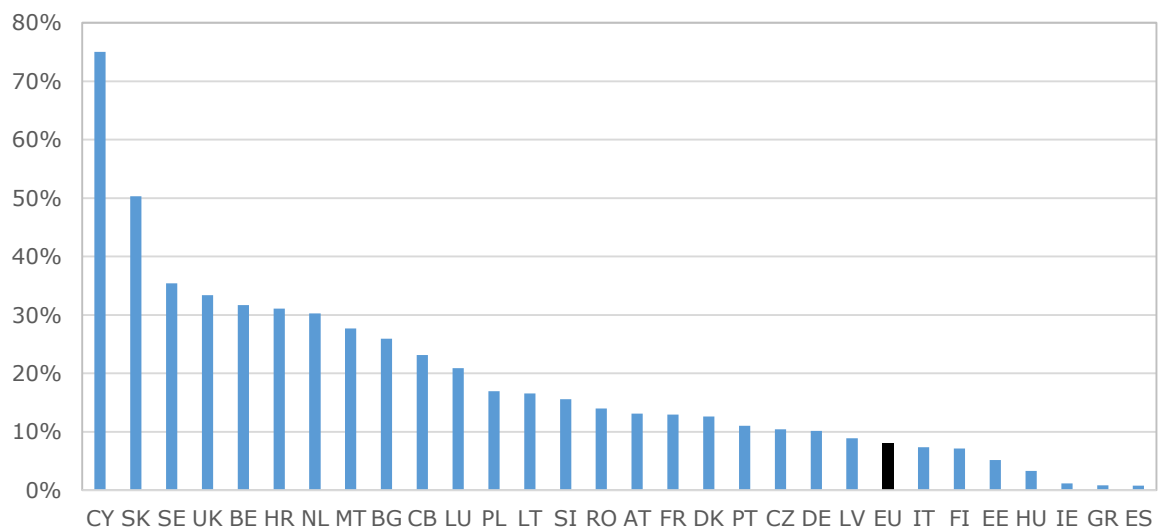


**Figure 34: Estimated distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by total cost**



When broken down by MS, Figure 35 shows the majority of operations in Cyprus (75%) are above the threshold. Slovakia and Sweden also have noteworthy proportions of operations in excess of EUR 1 million in total cost, with 50% and 35%, respectively. In countries such as in Spain (99%), Greece (99%), and Ireland (99%), most operations fall below the threshold. Table 13 below provides details on the shares of operations by country falling below and above Threshold No.1.

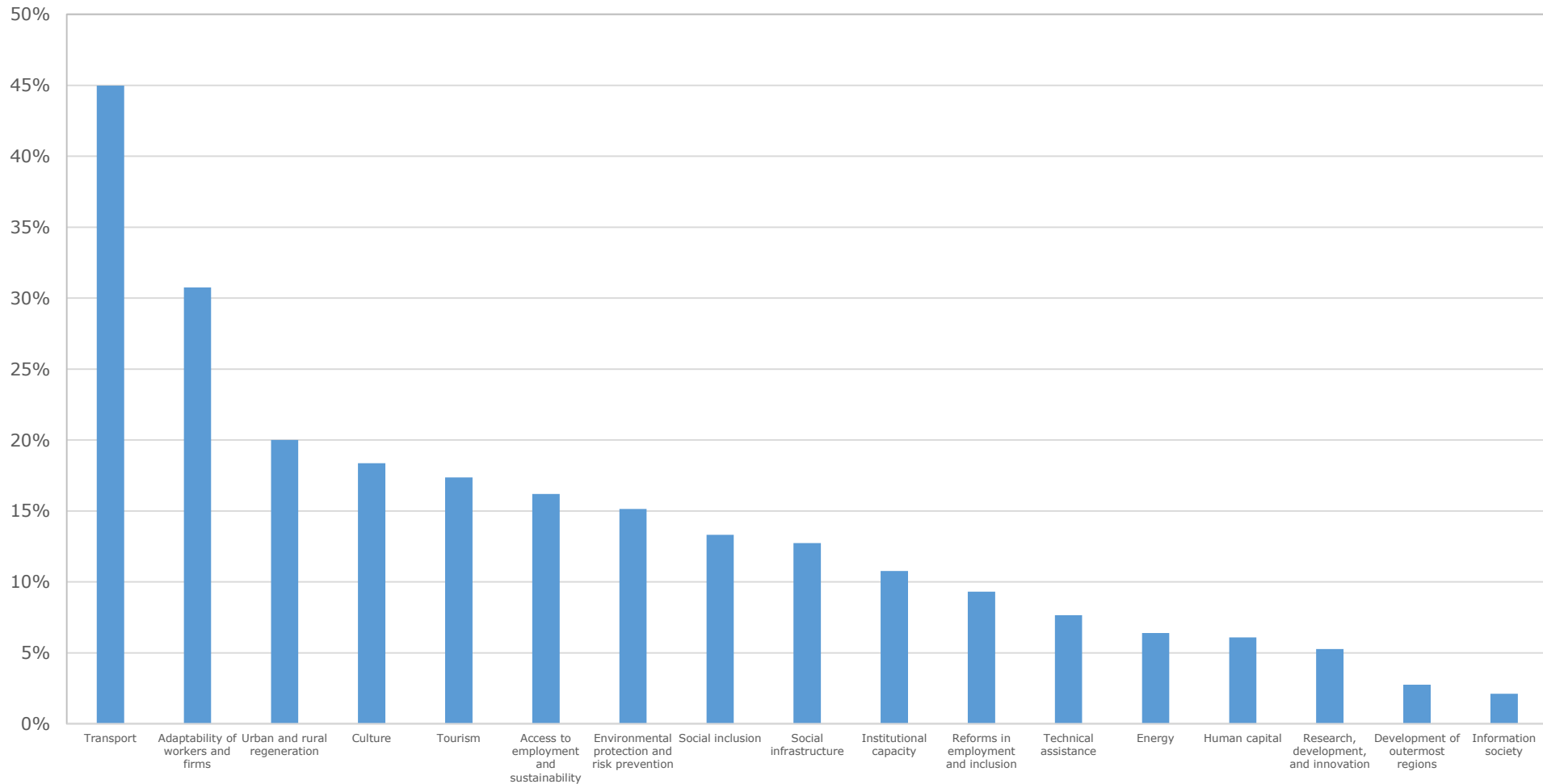
**Figure 35: Estimated share of operations above Threshold No.1 (EUR 1,000,000 total cost) by Member State**



**Table 13: Estimated distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	4	25%	3	3%	12	75%	89	97%
SK	2,134	50%	323	5%	2,160	50%	5,683	95%
SE	820	65%	294	19%	450	35%	1,216	81%
UK	892	67%	217	8%	447	33%	2,450	92%
BE	291	68%	104	10%	135	32%	924	90%
HR	71	69%	25	17%	32	31%	124	83%
NL	394	70%	119	15%	171	30%	662	85%
MT	47	72%	14	14%	18	28%	80	86%
BG	872	74%	260	9%	305	26%	2,599	91%
CB	7,725	77%	2,042	23%	2,327	23%	6,807	77%
LU	53	79%	25	30%	14	21%	58	70%
PL	31,985	83%	6,777	17%	6,515	17%	33,716	83%
LT	3,708	83%	917	22%	737	17%	3,310	78%
SI	8,590	84%	2,205	16%	1,582	16%	11,993	84%
RO	3,297	86%	755	26%	535	14%	2,137	74%
AT	3,809	87%	364	13%	575	13%	2,495	87%
FR	17,657	87%	4,002	30%	2,626	13%	9,209	70%
DK	568	87%	60	25%	82	13%	185	75%
PT	10,932	89%	2,264	25%	1,353	11%	6,817	75%
CZ	24,916	90%	4,921	25%	2,896	10%	14,847	75%
DE	17,111	90%	3,731	31%	1,937	10%	8,360	69%
LV	4,619	91%	551	24%	451	9%	1,789	76%
IT	46,737	93%	5,910	22%	3,698	7%	20,651	78%
FI	5,053	93%	962	53%	389	7%	838	47%
EE	7,735	95%	550	25%	419	5%	1,609	75%
HU	21,666	97%	2,061	15%	738	3%	11,511	85%
IE	8,487	99%	349	21%	98	1%	1,302	79%
GR	11,420	99%	1,016	87%	94	1%	151	13%
ES	117,459	99%	2,389	34%	925	1%	4,654	66%
<b>Total</b>	<b>359,051</b>	<b>92%</b>	<b>43,211</b>	<b>22%</b>	<b>31,721</b>	<b>8%</b>	<b>156,265</b>	<b>78%</b>

**Figure 36: Observed share of total cost of operations above Threshold No.1 (EUR 1,000,000 total cost) by Priority Theme category**

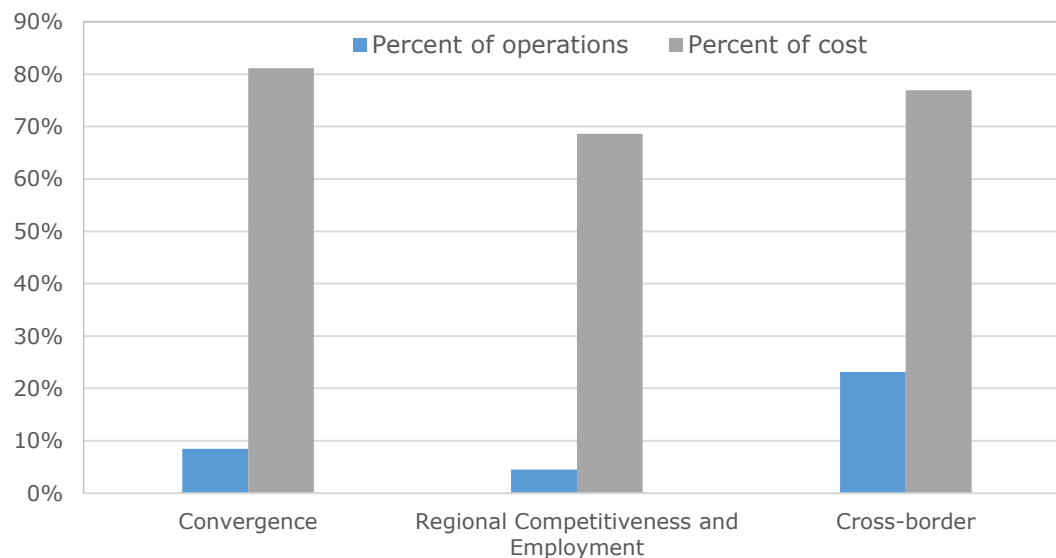


**Table 14: Observed distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by Priority Theme category**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transport	3,055	55%	1,171	4%	2,498	45%	30,511	96%
Adaptability of workers and firms	214	69%	59	8%	95	31%	722	92%
Urban and rural regeneration	4,756	80%	978	18%	1,189	20%	4,520	82%
Culture	3,540	82%	742	21%	796	18%	2,709	79%
Tourism	5,177	83%	1,093	19%	1,088	17%	4,625	81%
Access to employment and sustainability	409	84%	91	11%	79	16%	769	89%
Environmental protection and risk prevention	19,801	85%	3,593	16%	3,530	15%	18,829	84%
Social inclusion	267	87%	60	28%	41	13%	154	72%
Social infrastructure	14,427	87%	2,343	24%	2,105	13%	7,565	76%
Institutional capacity	696	89%	147	39%	84	11%	230	61%
Reforms in employment and inclusion	351	91%	70	44%	36	9%	88	56%
Technical assistance	8,349	92%	763	22%	692	8%	2,752	78%
Energy	22,543	94%	3,246	38%	1,539	6%	5,401	62%
Human capital	3,398	94%	574	45%	220	6%	708	55%
Research, development, and innovation	180,072	95%	15,396	26%	10,013	5%	43,619	74%
Development of outermost regions	3,332	97%	540	66%	94	3%	278	34%
Information society	40,246	98%	2,916	44%	870	2%	3,691	56%
<b>Total</b>	<b>310,633</b>	<b>93%</b>	<b>33,782</b>	<b>21%</b>	<b>24,969</b>	<b>7%</b>	<b>127,170</b>	<b>79%</b>

The analysis by Regions shows that operations **above the threshold** located in "Cross-border", "Convergence", and "Regional competitiveness" regions accounts respectively for 23%, 8%, and 5% of the operations. In terms of the value of operations, it is the cross-border regions which account for the highest share in value (81%) followed by regional competitiveness and employment (77%) and convergence regions (69%) indicating that it is in convergent regions where most high value projects have been supported.

**Figure 37: Estimated share of total cost and number of operations above Threshold No.1 (EUR 1,000,000 total cost) by Category of Region**



**Table 15: Estimated distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by Category of Region**

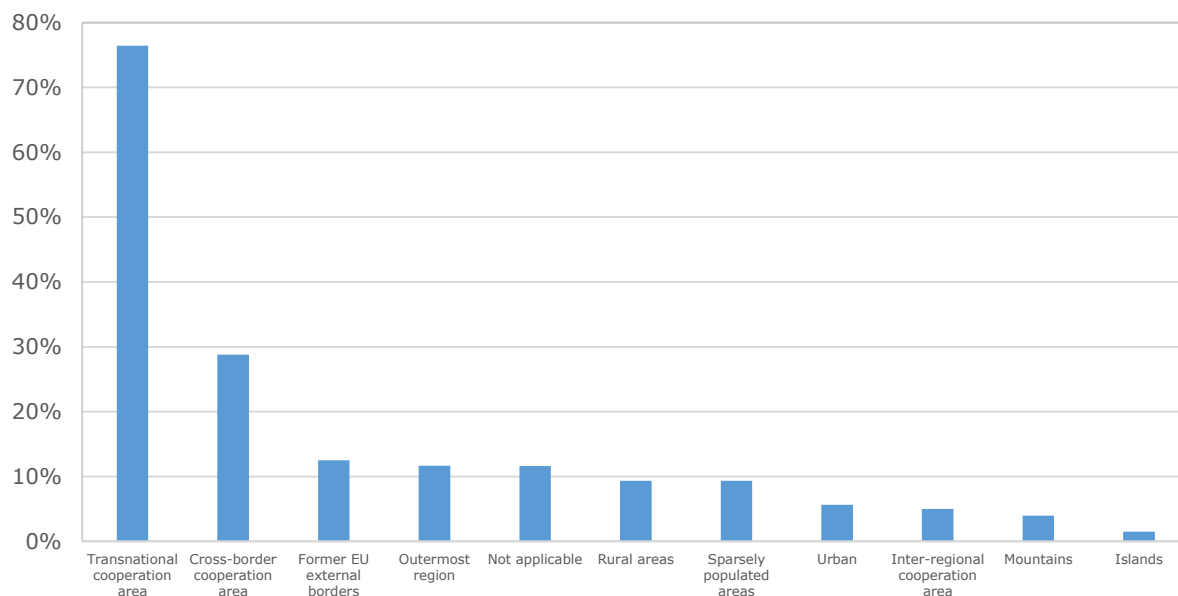
	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Convergence	228,128	92%	28,811	19%	21,154	8%	124,141	81%
Regional Competitiveness and Employment	125,512	95%	11,822	31%	5,929	5%	25,853	69%
Cross-border	7,729	77%	2,042	23%	2,328	23%	6,807	77%
<b>Total</b>	<b>361,369</b>	<b>92%</b>	<b>42,675</b>	<b>21%</b>	<b>29,411</b>	<b>8%</b>	<b>156,801</b>	<b>79%</b>

The analysis of operations **located above Threshold No. 1** in terms of the territorial dimension indicates that "transnational cooperation areas" present 76% of their operations above the threshold, while other types of territories present shares of operations above the threshold well below the transnational type. For instance, these include territories such as "cross-border cooperation areas" (29%) or "former EU external borders" (13%). Opposite to these observations, the territorial dimensions



“mountains” or “islands” account a majority of their operations **below the threshold** (respectively 96% and 98% of their operations).

**Figure 38: Observed share of total cost of operations above Threshold No.1 (EUR 1,000,000 total cost) by Territorial Dimension**



**Table 16: Observed distribution of operations around Threshold No.1 (EUR 1,000,000 total cost) by Territorial Dimension**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transnational cooperation area	140	24%	58	5%	454	76%	1,160	95%
Cross-border cooperation area	3,847	71%	1,228	21%	1,557	29%	4,617	79%
Former EU external borders	3,395	88%	292	12%	485	13%	2,146	88%
Outermost region	4,215	88%	936	26%	557	12%	2,634	74%
Not applicable	33,486	88%	4,687	13%	4,411	12%	32,149	87%
Rural areas	47,901	91%	7,452	25%	4,935	9%	22,787	75%
Sparsely populated areas	5,340	91%	695	30%	550	9%	1,651	70%
Urban	194,789	94%	17,456	23%	11,631	6%	58,061	77%
Inter-regional cooperation area	208	95%	43	65%	11	5%	23	35%
Mountains	6,921	96%	637	41%	285	4%	911	59%
Islands	7,309	99%	214	36%	111	1%	378	64%
<b>Total</b>	<b>307,551</b>	<b>92%</b>	<b>33,698</b>	<b>21%</b>	<b>24,987</b>	<b>8%</b>	<b>126,519</b>	<b>79%</b>

### 3.2.5. Threshold No.2 – EUR 50,000 Total Cost

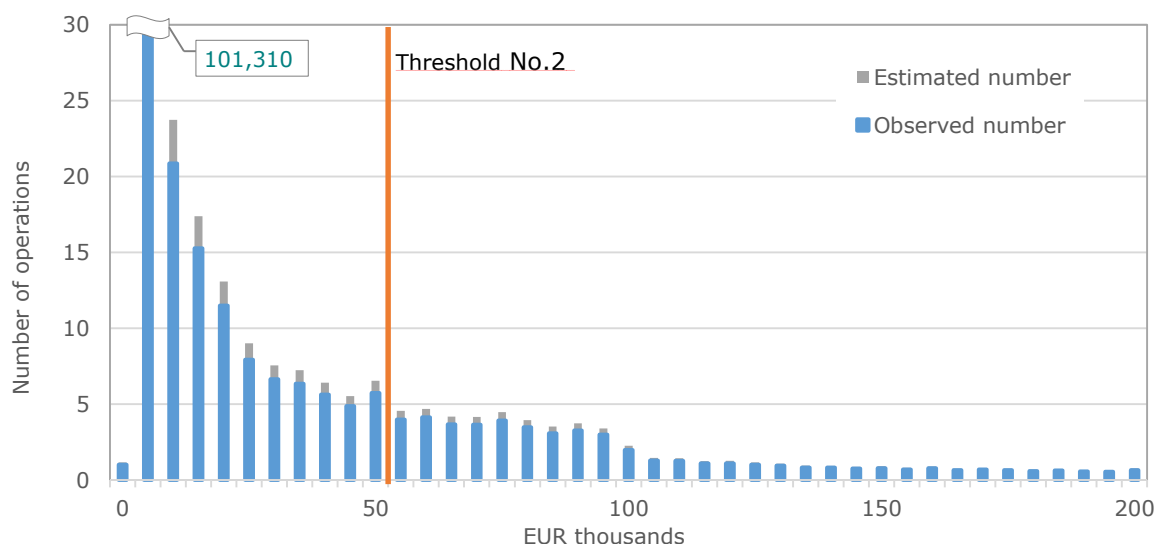
Threshold No.2 concerns the legal requirements for operations generating net revenue during their implementation (Article 65(8) (i) CPR). Operations for which the total eligible cost does not exceed EUR 50,000 are exempted from reducing the eligible expenditure of the operation by the net revenue not taken into account at the time of approval of the operation.

This analysis looks at the proportion of operations which have a total cost above and below EUR 50,000. As can be seen in Table 17, 52% of all the operations are below the threshold. Nevertheless, these operations represent in total cost of operations only 1% of all the operations. The distribution of operations around this threshold in terms of number of operations is shown below in Figure 39 and in terms of value in Figure 40.

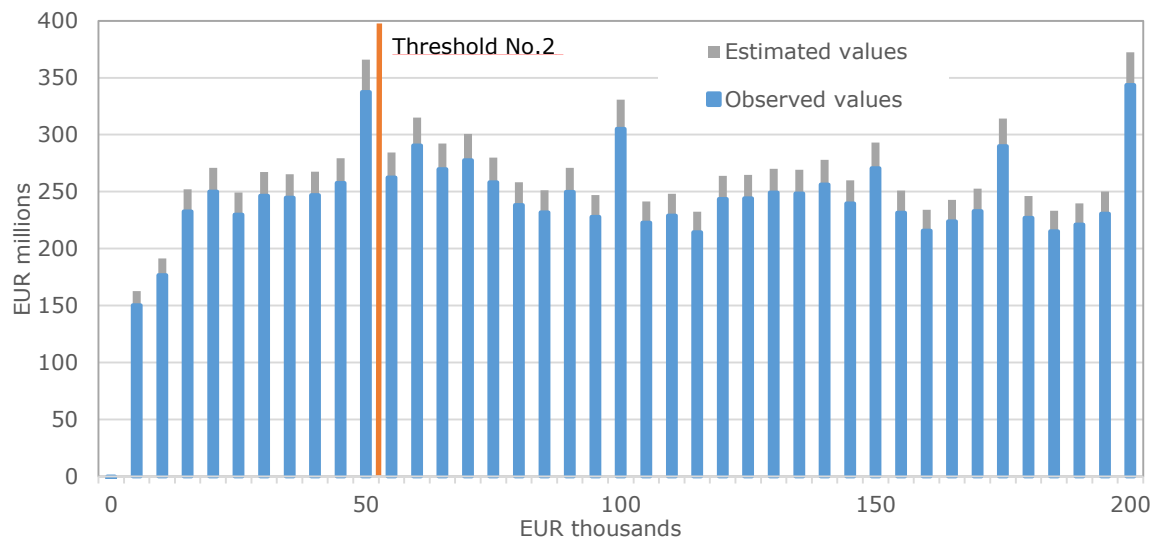
**Table 17: Estimated operations above and below Threshold No.2 (EUR 50,000 total cost)**

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	187,852	48%	197,103	99%
Below threshold	202,920	52%	2,373	1%
<b>Total</b>	<b>390,772</b>	<b>100%</b>	<b>199,476</b>	<b>100%</b>

**Figure 39: Estimated distribution of operations around Threshold No.2 (EUR 50,000 total cost) by number**

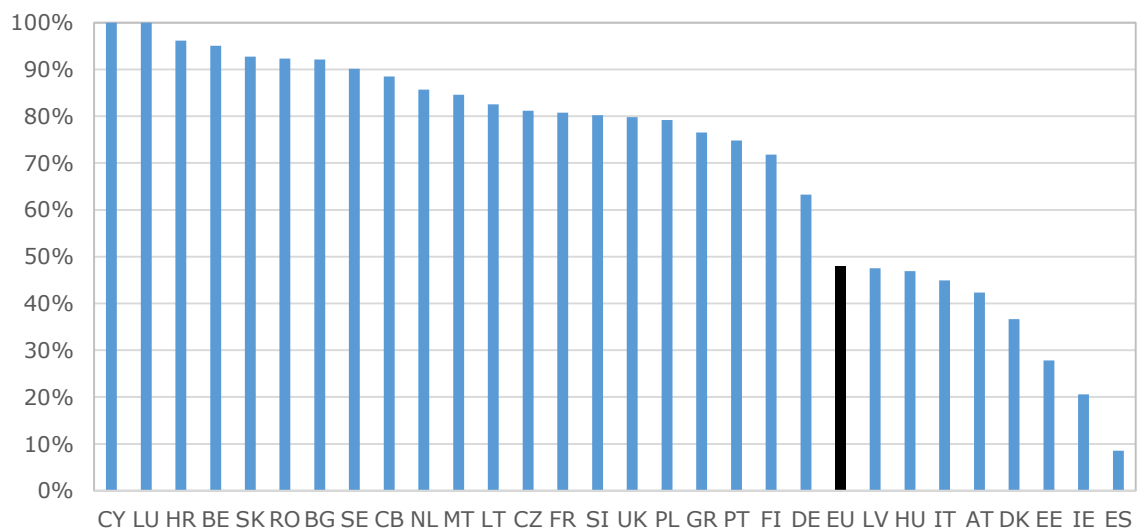


**Figure 40: Estimated distribution of operations around Threshold No.2 (EUR 50,000 total cost) by total cost**



When broken down at the level of the MS, as shown in Figure 41 and Table 18, the figures show that the majority of operations within each MS had a total cost above Threshold No. 2. However, at the other end of the spectrum, in some MS more than two thirds of all operations are below the threshold, for example in Estonia (72%) and in Ireland (79%). In Spain, the share of operations with total costs under EUR 50,000 is more than 91%.

**Figure 41: Estimated share of operations above Threshold No.2 (EUR 50,000 total cost) by Member State**

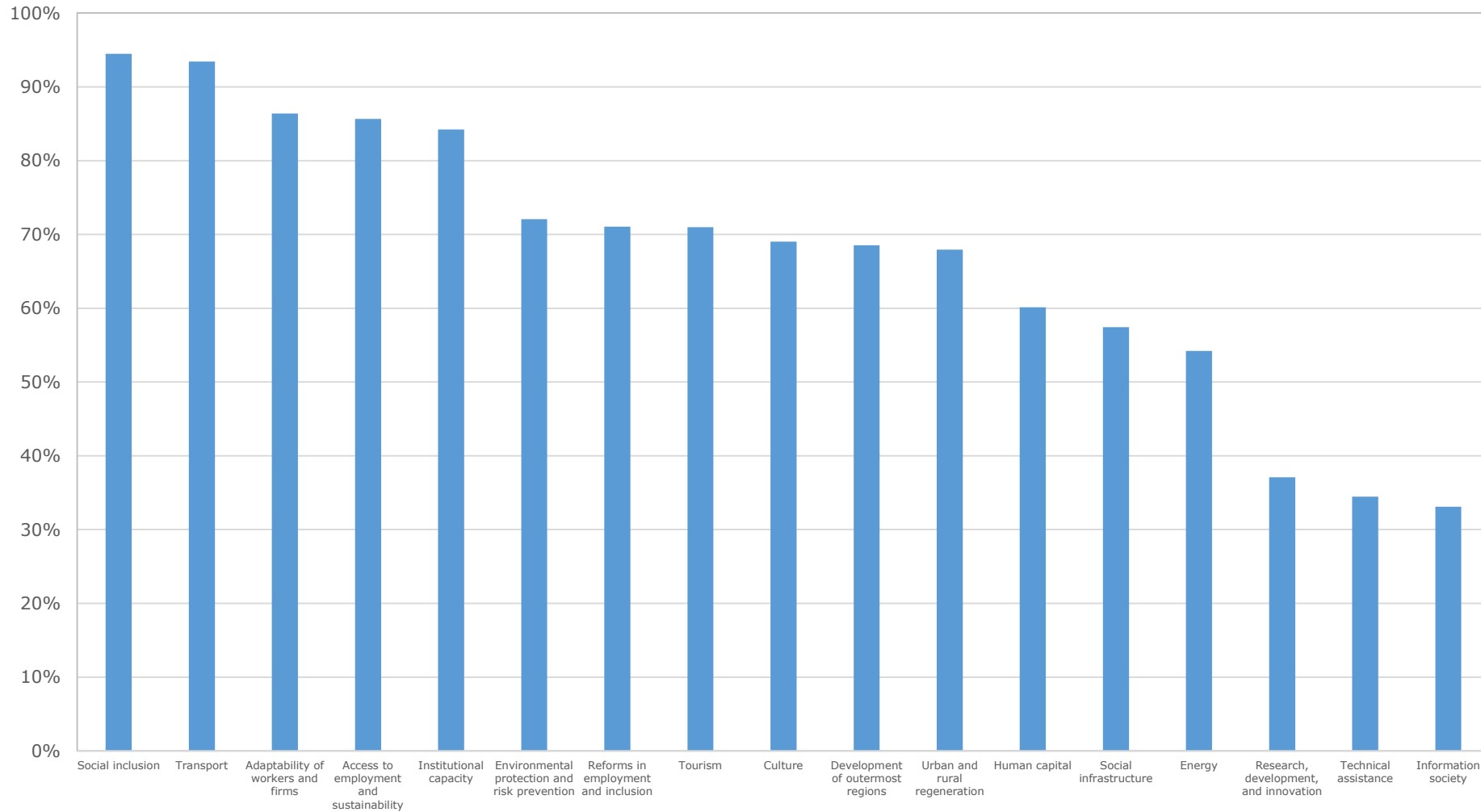


**Table 18: Estimated distribution of operations around Threshold No.2 (EUR 50,000 total cost) by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
CY	0	0%	0	0%	16	100%	92	100%
LU	0	0%	0	0%	67	100%	82	100%
HR	4	4%	0	0%	99	96%	149	100%
BE	21	5%	1	0%	405	95%	1,026	100%
SK	313	7%	3	0%	3,981	93%	6,003	100%
RO	294	8%	10	0%	3,538	92%	2,882	100%
BG	93	8%	1	0%	1,084	92%	2,858	100%
SE	125	10%	4	0%	1,145	90%	1,506	100%
CB	1,157	12%	25	0%	8,895	88%	8,823	100%
NL	81	14%	2	0%	484	86%	778	100%
MT	10	15%	0	0%	55	85%	94	100%
LT	777	17%	24	1%	3,668	83%	4,203	99%
CZ	5,229	19%	151	1%	22,583	81%	19,617	99%
FR	3,901	19%	111	1%	16,382	81%	13,100	99%
SI	2,013	20%	31	0%	8,159	80%	14,166	100%
UK	270	20%	8	0%	1,069	80%	2,660	100%
PL	8,005	21%	132	0%	30,495	79%	40,361	100%
GR	2,702	23%	97	8%	8,812	77%	1,070	92%
PT	3,095	25%	82	1%	9,190	75%	8,999	99%
FI	1,536	28%	42	2%	3,906	72%	1,758	98%
DE	6,994	37%	187	2%	12,054	63%	11,903	98%
LV	2,662	53%	26	1%	2,408	47%	2,314	99%
HU	11,895	53%	165	1%	10,510	47%	13,407	99%
IT	27,786	55%	581	2%	22,649	45%	25,981	98%
AT	2,529	58%	40	1%	1,855	42%	2,818	99%
DK	412	63%	1	1%	238	37%	244	99%
EE	5,885	72%	33	2%	2,269	28%	2,127	98%
IE	6,818	79%	83	5%	1,767	21%	1,568	95%
ES	108,314	91%	531	8%	10,070	9%	6,511	92%
<b>Total</b>	<b>202,920</b>	<b>52%</b>	<b>2,373</b>	<b>1%</b>	<b>187,852</b>	<b>48%</b>	<b>197,103</b>	<b>99%</b>

The following priority themes “improving the social inclusion of less-favoured persons” (94%), “transport” (93%), and “adaptability of workers and firms” (86%) are the top three priority themes with the highest share of operations above the threshold.

**Figure 42: Observed share of total cost of operations above Threshold No.2 (EUR 50,000 total cost) by Priority Theme category**

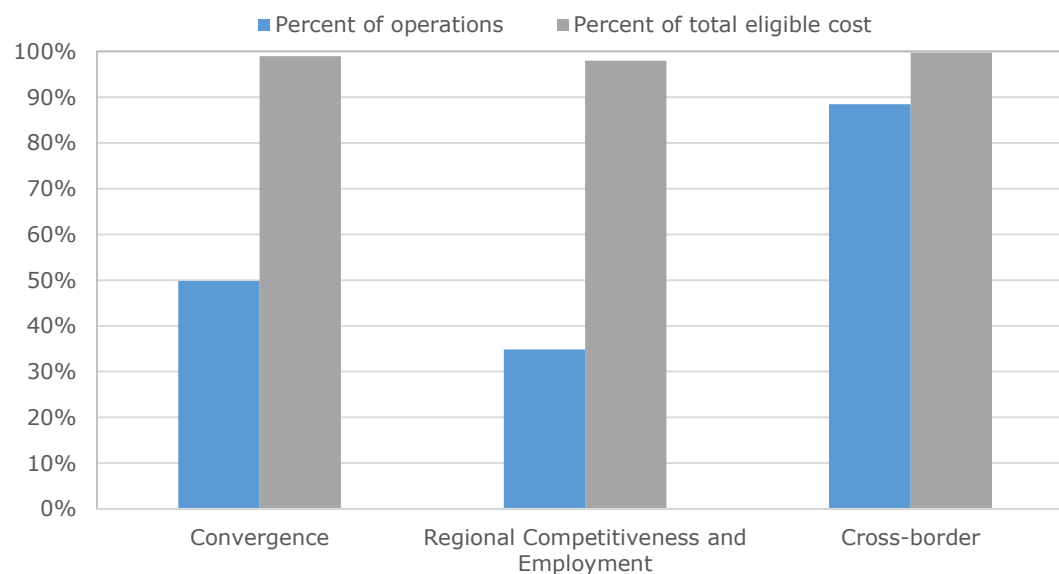


**Table 19: Observed distribution of operations around Threshold No.2 (EUR 50,000 total cost) by Priority Theme category**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Social inclusion	17	6%	0	0%	291	94%	213	100%
Transport	365	7%	9	0%	5,188	93%	31,673	100%
Adaptability of workers and firms	42	14%	1	0%	267	86%	779	100%
Access to employment and sustainability	70	14%	2	0%	418	86%	858	100%
Institutional capacity	123	16%	2	1%	657	84%	375	99%
Environmental protection and risk prevention	6,519	28%	134	1%	16,812	72%	22,287	99%
Reforms in employment and inclusion	112	29%	3	2%	275	71%	155	98%
Tourism	1,818	29%	27	0%	4,447	71%	5,691	100%
Culture	1,343	31%	19	1%	2,993	69%	3,432	99%
Development of outermost regions	1,078	31%	22	3%	2,348	69%	796	97%
Urban and rural regeneration	1,906	32%	29	1%	4,039	68%	5,469	99%
Human capital	1,443	40%	23	2%	2,175	60%	1,260	98%
Social infrastructure	7,039	43%	149	1%	9,493	57%	9,759	99%
Energy	11,031	46%	62	1%	13,051	54%	8,585	99%
Research, development, and innovation	119,589	63%	1,022	2%	70,496	37%	57,993	98%
Technical assistance	5,925	66%	53	2%	3,116	34%	3,462	98%
Information society	27,510	67%	388	6%	13,606	33%	6,218	94%
<b>Total</b>	<b>185,930</b>	<b>55%</b>	<b>1,948</b>	<b>1%</b>	<b>149,672</b>	<b>45%</b>	<b>159,004</b>	<b>99%</b>

The analysis by Regions shows that in “Cross-border”, “Convergence”, and “Regional competitiveness” regions, operations whose value is **above the threshold** account for 88%, 50%, and 35% of operations, respectively. In terms of the value of operations, it is the cross-border regions who account for the highest share in value (100%) followed by convergence regions (99%) and regional competitiveness regions (98%) indicating that it is in convergent regions where most high value projects have been supported.

**Figure 43: Estimated share of total cost and number of operations above Threshold No.2 (EUR 50,000 total cost) by Category of Region**

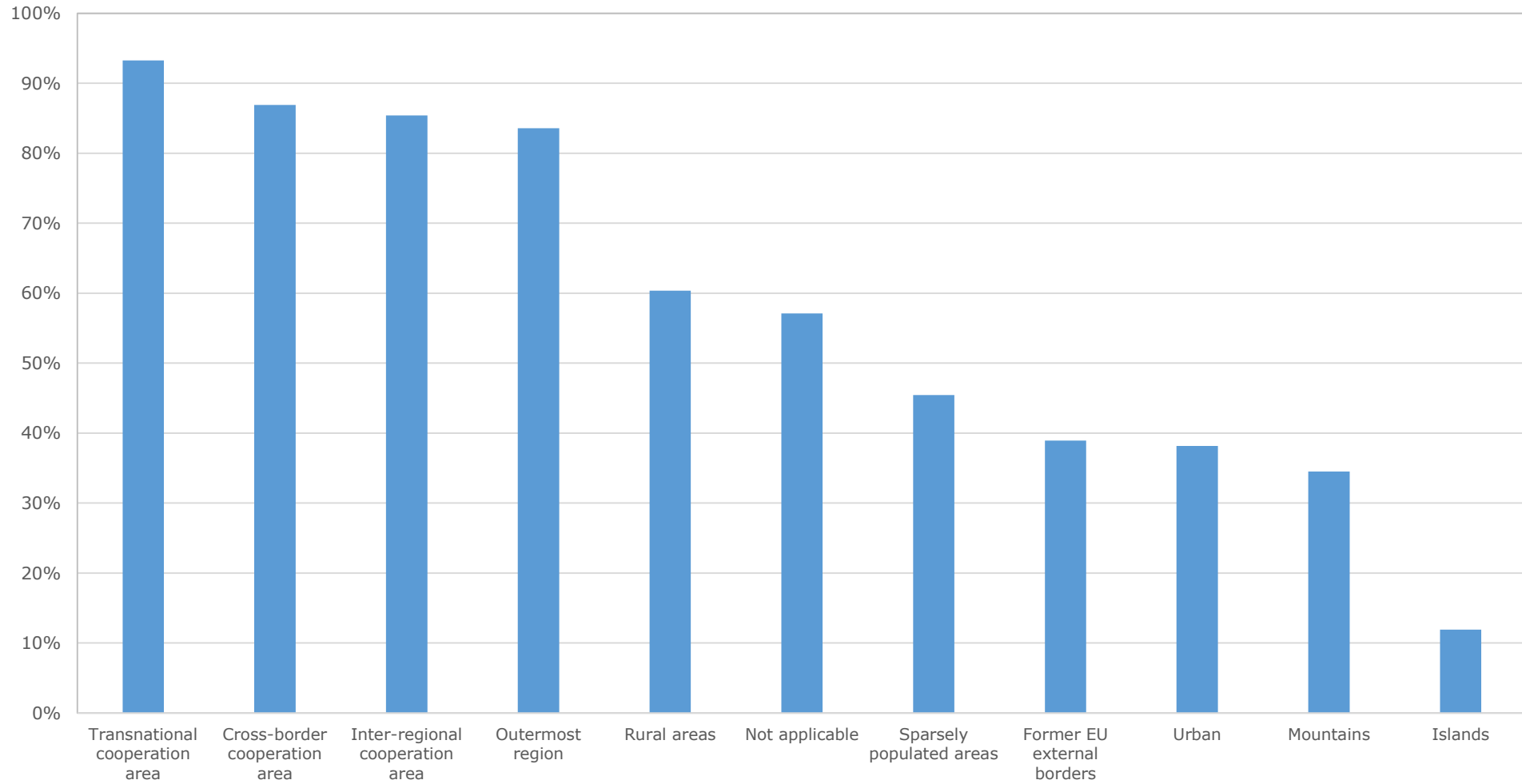


**Table 20: Estimated distribution of operations around Threshold No.2 (EUR 50,000 total cost) by Category of Region**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
Convergence	125,098	50%	1,601	1%	124,184	50%	151,351	99%
Regional Competitiveness and Employment	85,592	65%	759	2%	45,849	35%	36,916	98%
Cross-border	1,158	12%	25	0%	8,899	88%	8,823	100%
<b>Total</b>	<b>211,848</b>	<b>54%</b>	<b>2,386</b>	<b>1%</b>	<b>178,932</b>	<b>46%</b>	<b>197,090</b>	<b>99%</b>

The analysis of operations whose values are **above Threshold No.2** in terms of the territorial dimension indicates that “transnational cooperation areas” present 93% of their operations above the threshold, “cross-border cooperation areas” (87), and “inter-regional cooperation areas” (85%). Opposite to these observations, the territorial dimensions “mountains” or “islands” accounts a majority of their operations **below the threshold** (respectively 35% and 12% of their operations).

**Figure 44: Observed share of total cost of operations above Threshold No.2 (EUR 50,000 total cost) by Territorial Dimension**





**Table 21: Observed distribution of operations around Threshold No.2 (EUR 50,000 total cost) by Territorial Dimension**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transnational cooperation area	40	7%	1	0%	554	93%	1,217	100%
Cross-border cooperation area	708	13%	17	0%	4,696	87%	5,829	100%
Inter-regional cooperation area	32	15%	1	2%	187	85%	65	98%
Outermost region	784	16%	23	1%	3,988	84%	3,547	99%
Rural areas	20,951	40%	351	1%	31,885	60%	29,888	99%
Not applicable	16,258	43%	161	0%	21,639	57%	36,675	100%
Sparsely populated areas	3,213	55%	28	1%	2,677	45%	2,319	99%
Former EU external borders	2,370	61%	38	2%	1,510	39%	2,399	98%
Urban	127,614	62%	1,170	2%	78,806	38%	74,347	98%
Mountains	4,719	65%	89	6%	2,487	35%	1,459	94%
Islands	6,535	88%	35	6%	885	12%	557	94%
<b>Total</b>	<b>183,224</b>	<b>55%</b>	<b>1,915</b>	<b>1%</b>	<b>149,314</b>	<b>45%</b>	<b>158,302</b>	<b>99%</b>

### 3.2.6. Threshold No.3 – EUR 50,000,000 Total Cost (EUR 75,000,000 for Thematic Objective 7)

For the programming period 2007-2013 threshold No. 3 is relevant to so-called “Major Projects,” operations with total costs exceeding EUR 50,000,000. For the programming period 2014-2020 this threshold was maintained, however, the reference value changed from “total cost” to “total eligible cost” in the new period<sup>22</sup>. In addition the CPR sets out that the threshold for operations under TO7 “Sustainable transport and bottlenecks in key network infrastructure” shall be EUR 75,000,000 of total eligible cost. For this study it is assumed that operations falling under Thematic Objective 7 in the new programming period are similar to those operations which have fallen under Priority Themes 16 to 32 (inclusive) within the grouping of “Transport”, and Priority Themes 34 (Electricity TEN-E), 36 (Natural gas TEN-E) and 38 (Petroleum products TEN-E) within the grouping of “Smart energy distribution, storage and transmission

<sup>22</sup> At the request of DG REGIO, a threshold analysis has been conducted using total eligible expenditure instead of total cost for Threshold No.3. The results of which can be found in Appendix D.

systems” as specified for the 2007-2013 period. The distributions of operations around both these thresholds are shown below in Figure 45 and Figure 46. It is interesting to note a slight concentration of projects closely beneath the threshold of EUR 50,000,000 (although it should be noted that no causality is presumed between the two given the small number of operations observed around this level of investment). If operations are considered major projects, they have to follow a certain assessment or appraisal procedure and need to be approved by the Commission.

**Table 22: Observed operations above and below Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7)**

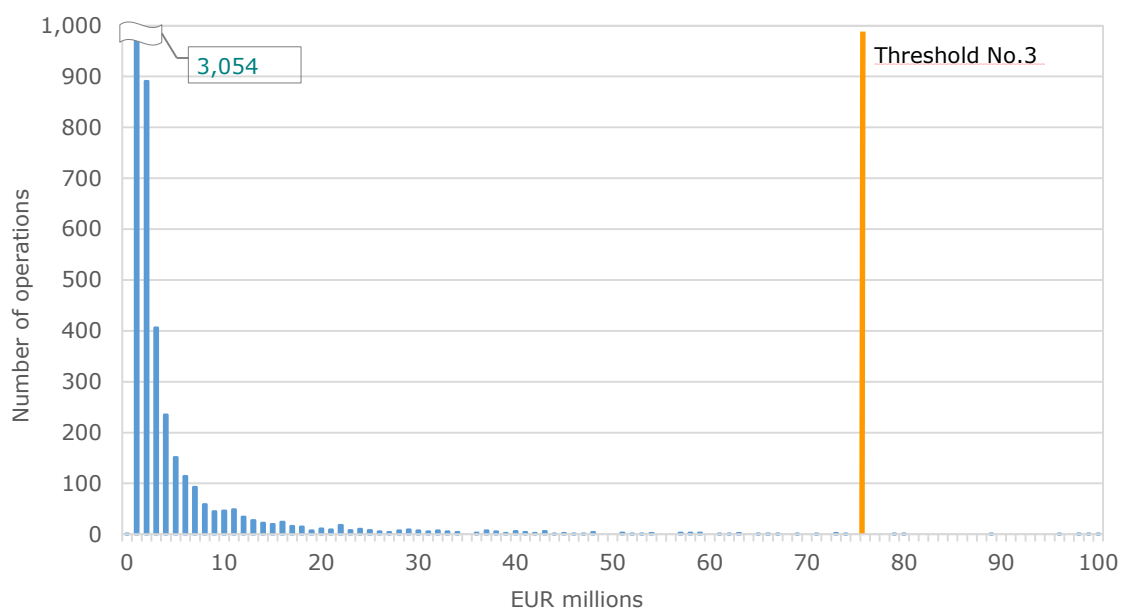
	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	206	0.1%	32,149	20%
Below threshold	335,396	99.9%	128,803	80%
<b>Total</b>	<b>335,602</b>	<b>100%</b>	<b>160,952</b>	<b>100%</b>

**Table 23: Observed TO7 and non-TO7 operations above and below Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7)**

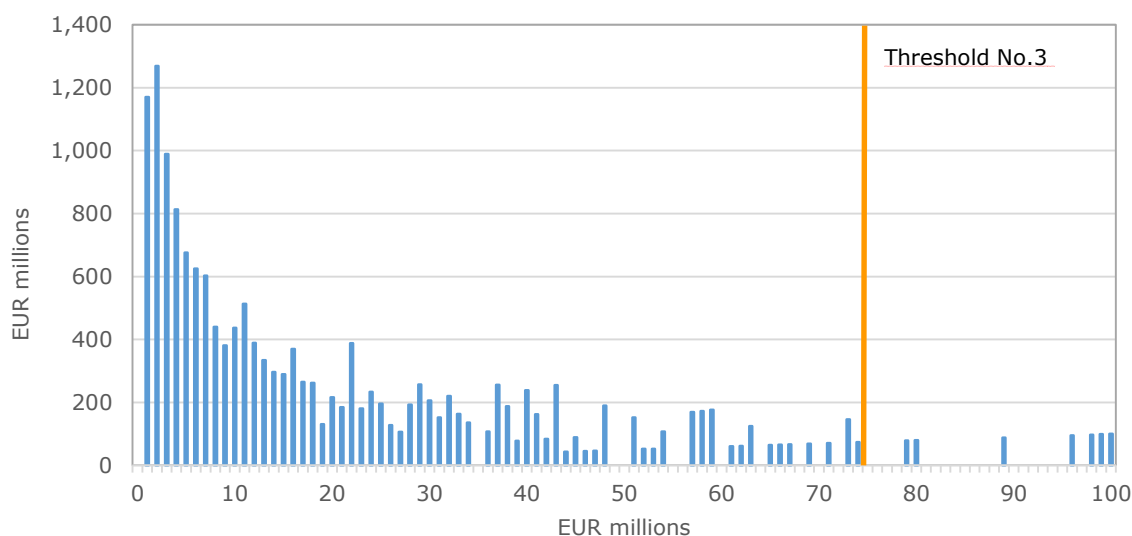
	Number of TO7 operations	Number of non-TO7 operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Above threshold	55	151	15,014	17,134
Below threshold	5,498	329,898	16,667	112,136
<b>Total</b>	<b>5,553</b>	<b>330,049</b>	<b>31,682</b>	<b>129,270</b>

The respective distributions of operations and value around Threshold No. 3 are presented in Figure 45 and Figure 46 below. As expected, the overwhelming majority of operations are below the threshold. Of note is that TO7 operations account for two-thirds of all operations above the threshold, and almost as much in value as non-TO7 operations. In the case of the distribution of value, the value operations below the threshold (both TO7 and non-TO7) account for 20% of the total cost in the database.

**Figure 45: Observed distribution of TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by number of operations**

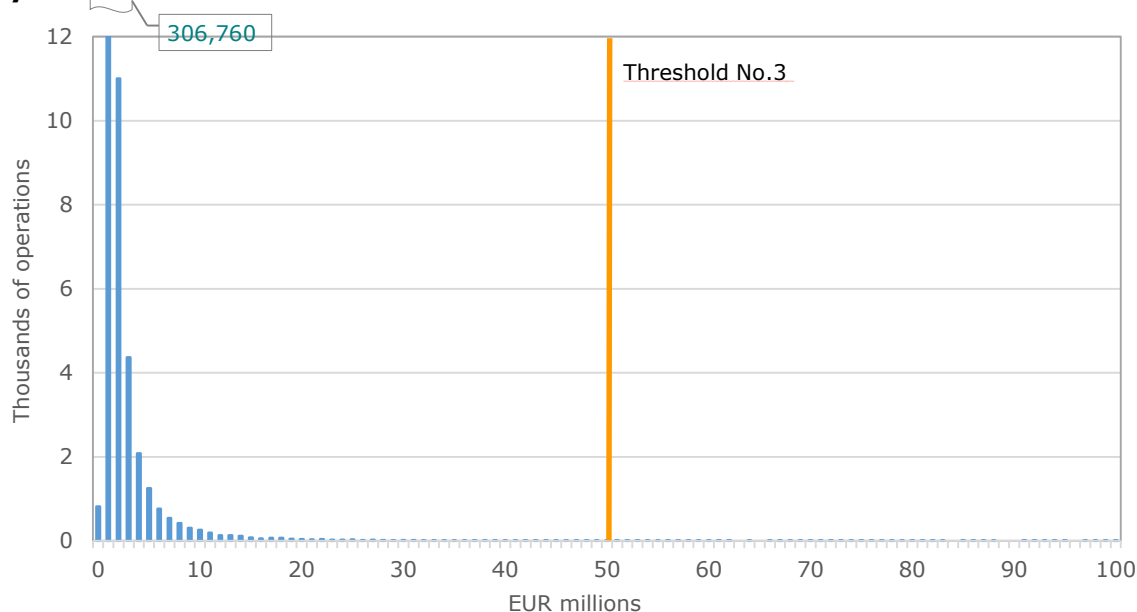


**Figure 46: Observed distribution of TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by total cost**



In addition, the respective distributions of TO7 operations around Threshold No. 3 by their number and value (where the threshold is increased to EUR 75 from EUR 50 million) are presented in Figure 47 and Figure 48 below.

**Figure 47: Observed distribution of non-TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by number**



**Figure 48: Observed distribution of non-TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by total cost**

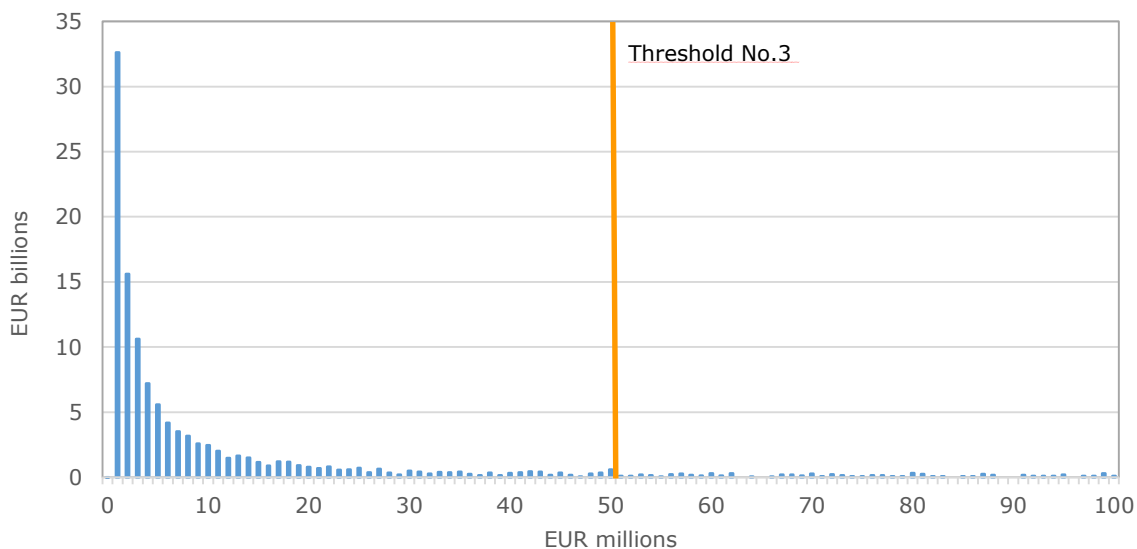


Table 24 provides details on the number of operations that are above and below Threshold No. 3 in the case of both TO7 and non-TO7 projects. This table shows that the vast majority of operations within the database fall beneath the threshold by not exceeding total costs of EUR 50 million or EUR 75 million if these are TO7. The greatest concentration of operations exceeding Threshold No.3 could be found in Hungary and Poland with 47 and 56 individual operations respectively, out of a total of 206 operations in the database that had a total cost above the threshold.

**Table 24: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
BE	423	99%	794	77%	3	1%	233	23%
BG	1,130	99%	1,244	44%	6	1%	1,586	56%
SK	966	99%	2,841	79%	5	1%	737	21%
SI	6,023	100%	6,106	53%	24	0%	5,504	47%
UK	1,334	100%	2,154	81%	4	0%	511	19%
HU	17,127	100%	3,651	37%	47	0%	6,102	63%
PL	33,126	100%	28,899	79%	56	0%	7,713	21%
PT	8,244	100%	4,876	79%	8	0%	1,262	21%
CB	6,903	100%	7,296	92%	6	0%	643	8%
IE	8,579	100%	741	45%	6	0%	911	55%
CZ	21,053	100%	13,140	89%	11	0%	1,703	11%
IT	41,627	100%	16,199	81%	15	0%	3,844	19%
FR	18,006	100%	11,177	97%	5	0%	379	3%
EE	8,152	100%	2,011	93%	2	0%	149	7%
LV	5,069	100%	2,254	96%	1	0%	86	4%
ES	118,377	100%	6,254	89%	7	0%	788	11%
AT	4,384	100%	2,858	100%	0	0%	0	0%
CY	16	100%	92	100%	0	0%	0	0%
DE	6,910	100%	3,284	100%	0	0%	0	0%
DK	650	100%	245	100%	0	0%	0	0%
FI	5,442	100%	1,800	100%	0	0%	0	0%
GR	11,514	100%	1,167	100%	0	0%	0	0%
HR	103	100%	150	100%	0	0%	0	0%
LT	4,445	100%	4,227	100%	0	0%	0	0%
LU	67	100%	82	100%	0	0%	0	0%
MT	65	100%	94	100%	0	0%	0	0%
NL	559	100%	766	100%	0	0%	0	0%
RO	3,832	100%	2,892	100%	0	0%	0	0%
SE	1,270	100%	1,510	100%	0	0%	0	0%
<b>Total</b>	<b>335,396</b>	<b>100%</b>	<b>128,803</b>	<b>80%</b>	<b>206</b>	<b>0%</b>	<b>32,149</b>	<b>20%</b>

**Table 25: Observed distribution of TO7 and Non-TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Member State**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
PL	1,227	31,899	4,099	24,800	15	41	4,157	3,556
SI	293	5,730	711	5,395	8	16	3,028	2,476
CZ	948	20,105	3,071	10,069	7	4	1,409	293
BG	77	1,053	241	1,003	6	0	1,586	0
HU	4	17,123	131	3,520	6	41	1,086	5,015
SK	18	948	200	2,641	4	1	668	68
IE	1	8,578	15	725	3	3	390	521
IT	122	41,505	558	15,641	2	13	2,019	1,825
CB	351	6,552	740	6,556	1	5	265	379
EE	24	8,128	246	1,765	1	1	80	69
ES	505	117,872	1,371	4,883	1	6	178	611
FR	322	17,684	839	10,337	1	4	149	230
AT	2	4,382	1	2,858	0	0	0	0
BE	13	410	48	746	0	3	0	233
CY	1	15	27	65	0	0	0	0
DE	216	6,694	231	3,053	0	0	0	0
DK	0	650	0	245	0	0	0	0
FI	72	5,370	81	1,719	0	0	0	0
GR	0	11,514	0	1,167	0	0	0	0
HR	49	54	103	46	0	0	0	0
LT	308	4,137	1,494	2,733	0	0	0	0
LU	0	67	0	82	0	0	0	0
LV	189	4,880	434	1,820	0	1	0	86
MT	3	62	23	71	0	0	0	0
NL	110	449	271	494	0	0	0	0
PT	232	8,012	238	4,638	0	8	0	1,262
RO	249	3,583	1,163	1,729	0	0	0	0
SE	140	1,130	234	1,276	0	0	0	0
UK	22	1,312	98	2,056	0	4	0	511
<b>Total</b>	<b>5,498</b>	<b>329,898</b>	<b>16,667</b>	<b>112,136</b>	<b>55</b>	<b>151</b>	<b>15,014</b>	<b>17,134</b>

With regards to the distribution of operations around Threshold No.3 by priority theme, the greatest absolute number of operations above the threshold of EUR 50,000,000 and EUR 75,000,000 for TO7 were in the groupings “transport”, “research, development and innovation” and in “environmental protection and risk prevention”. These accounted for almost three quarters of all of the operations above this threshold (74%).

**Table 26: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Priority Theme category**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transport	5,498	99%	16,667	53%	55	1%	15,014	47%
Research, development, and innovation	190,030	100%	52,287	89%	55	0%	6,729	11%
Environmental protection and risk prevention	23,296	100%	18,080	81%	35	0%	4,341	19%
Social infrastructure	16,521	100%	8,764	88%	11	0%	1,144	12%
Tourism	6,255	100%	4,510	79%	10	0%	1,207	21%
Urban and rural regeneration	5,937	100%	4,624	84%	8	0%	874	16%
Culture	4,332	100%	3,130	91%	4	0%	321	9%
Access to employment and sustainability	484	99%	470	55%	4	1%	390	45%
Human capital	3,614	100%	1,002	78%	4	0%	281	22%
Information society	41,112	100%	5,971	90%	4	0%	636	10%
Adaptability of workers and firms	306	99%	436	56%	3	1%	345	44%
Technical assistance	9,040	100%	3,457	98%	1	0%	58	2%
Development of outermost regions	3,425	100%	764	93%	1	0%	53	7%
Social inclusion	308	100%	214	100%	0	0%	0	0%
Institutional capacity	780	100%	378	100%	0	0%	0	0%
Reforms in employment and inclusion	387	100%	158	100%	0	0%	0	0%
Energy	24,071	100%	7,892	100%	0	0%	0	0%
<b>Total</b>	<b>335,396</b>	<b>100%</b>	<b>128,803</b>	<b>80%</b>	<b>195</b>	<b>0%</b>	<b>31,394</b>	<b>20%</b>

The analysis by Regions shows that operations **above the threshold** located in "Convergence", and "Regional competitiveness" regions account respectively for a value of EUR 35,351 million and EUR 2,839 million of the total cost associated to operations that fall above Threshold No. 3 (both TO7 and non-TO7).

**Table 27: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Category of Region**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Convergence	4,295	202,301	14,388	79,751	50	121	14,135	13,969
Regional Competitiveness and Employment	852	121,045	1,540	25,829	4	25	614	2,787
Cross-border	351	6,552	740	6,556	1	5	265	379
<b>Total</b>	<b>5,498</b>	<b>329,898</b>	<b>16,667</b>	<b>112,136</b>	<b>55</b>	<b>151</b>	<b>15,014</b>	<b>17,134</b>

In terms of territorial dimensions, with the exception of "sparsely populated areas" the number of operations **above the threshold** are mostly represented by non-TO7 operations. In terms of cost, the representativeness of the TO7 is very high for the territorial dimension "not applicable" and "urban" which represent respectively in value EUR 5,223 million and EUR 5,343 million.



**Table 28: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Territorial Dimension**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Not applicable	501	37,300	3,526	23,258	20	48	5,223	4,815
Urban	2,003	203,662	6,253	54,065	19	78	5,343	9,072
Rural areas	1,997	50,583	5,055	19,555	9	14	3,350	2,095
Cross-border cooperation area	285	5,105	515	4,737	1	4	265	326
Outermost region	158	4,606	433	2,442	1	5	149	545
Sparsely populated areas	201	5,688	335	1,834	1	0	178	0
Transnational cooperation area	51	543	138	1,080	0	0	0	0
Former EU external borders	0	3,880	0	2,437	0	0	0	0
Inter-regional cooperation area	1	212	4	54	0	0	0	0
Mountains	16	7,189	17	1,472	0	1	0	59
Islands	175	7,225	125	458	0	0	0	0
<b>Total</b>	<b>5,388</b>	<b>325,993</b>	<b>16,401</b>	<b>111,393</b>	<b>51</b>	<b>150</b>	<b>14,508</b>	<b>16,911</b>

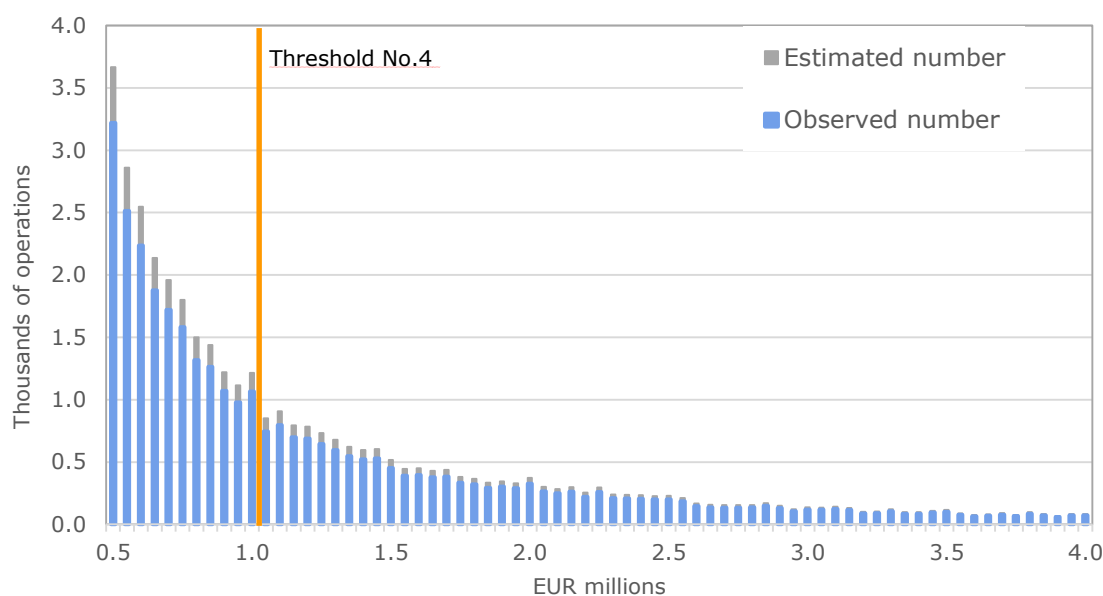
### 3.2.7. Threshold No.4 – EUR 1,000,000 Total Eligible Expenditure

Threshold No.4 pertains to the availability of documents. Article 140(1) CPR sets out that supporting documents regarding expenditure supported by the Funds on operations for which the total eligible expenditure is less than EUR 1,000,000 shall be made available for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. The mandatory time period for the retention of documents for those operations is therefore shorter than for operations above the threshold. As shown below, 94% of operations fell beneath this threshold. In terms of total cost of operations, the operations below the threshold represent 30% of operations. The distribution of operations around this threshold is shown below in Figure 49 and Figure 50.

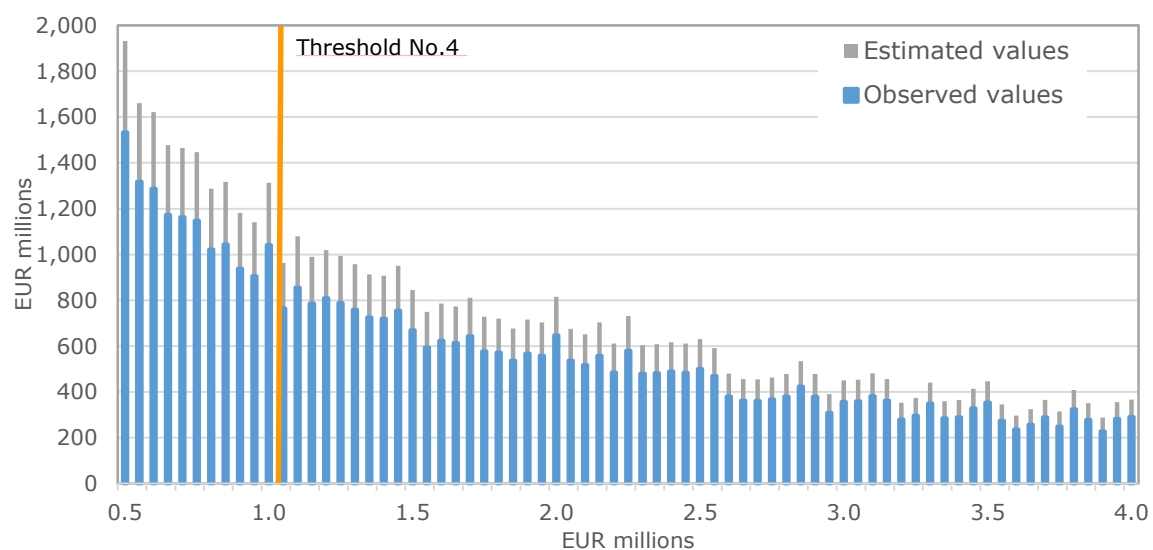
**Table 29: Estimated operations above and below Threshold No.4 (EUR 1,000,000 total eligible expenditure)**

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	24,026	6%	136,339	70%
Below threshold	362,847	94%	59,522	30%
<b>Total</b>	<b>386,873</b>	<b>100%</b>	<b>195,861</b>	<b>100%</b>

**Figure 49: Estimated distribution of operations around Threshold No.4 (EUR 1,000,000 total eligible expenditure) by number**



**Figure 50: Estimated distribution of operations around Threshold No.4 (EUR 1,000,000 total eligible expenditure) by total cost**

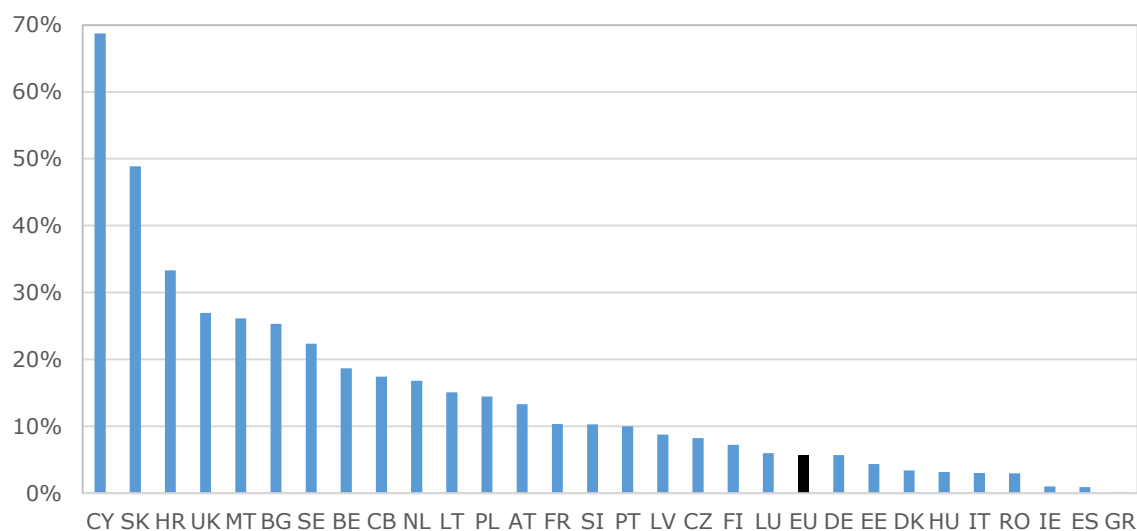


The member states with the greatest share of operations above the threshold are in Cyprus (69%), Slovakia (49%), and Croatia (33%). It should be noted that the total

number of operations is very low in Cyprus, with 11 operations above the threshold and 5 operations below the threshold.

The member states with the greatest share of operations below the threshold were Ireland (99%), Spain (99%) and Greece (99.9%). Notable, in the Spanish case the remaining 1% of operations above the threshold represent nearly 68% of the value of total eligible expenditure indicating significant concentrations of value in only a few projects above the threshold.

**Figure 51: Estimated share of operations above Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Member State**



**Table 30: Estimated distribution of operations around Threshold No. 4 (EUR 1,000,000 total eligible expenditure) by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	5	31%	4	4%	11	69%	88	96%
SK	2,195	51%	353	6%	2,099	49%	5,653	94%
HR	78	67%	23	16%	39	33%	126	84%
UK	979	73%	353	13%	361	27%	2,315	87%
MT	48	74%	15	16%	17	26%	79	84%
BG	879	75%	272	9%	298	25%	2,588	91%
SE	814	78%	452	34%	234	22%	879	66%
BE	244	81%	88	31%	56	19%	193	69%
CB	8,337	83%	3,196	36%	1,760	17%	5,643	64%
NL	371	83%	142	31%	75	17%	315	69%
LT	3,776	85%	998	24%	669	15%	3,229	76%
PL	32,940	86%	8,093	20%	5,558	14%	32,400	80%
AT	3,800	87%	355	12%	584	13%	2,504	88%

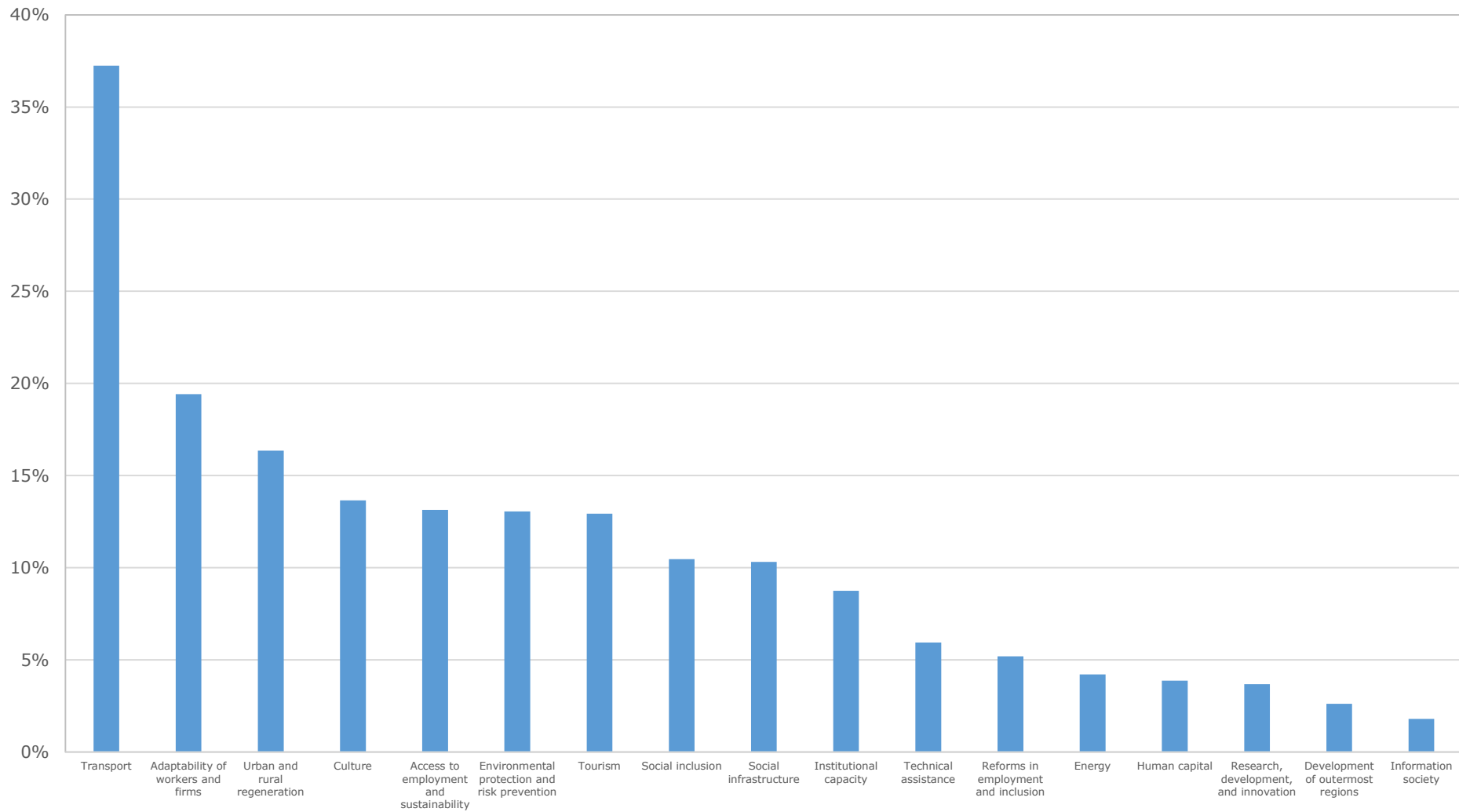
Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
SI	9,125	90%	3,298	23%	1,047	10%	10,899	77%
FR	17,587	90%	5,351	42%	2,011	10%	7,447	58%
PT	11,054	90%	2,489	27%	1,228	10%	6,593	73%
LV	4,625	91%	567	24%	445	9%	1,772	76%
CZ	25,519	92%	6,896	35%	2,288	8%	12,866	65%
FI	5,053	93%	962	53%	389	7%	838	47%
DE	17,973	94%	6,630	55%	1,075	6%	5,461	45%
LU	64	96%	50	60%	3	4%	33	40%
EE	7,764	96%	628	30%	352	4%	1,495	70%
DK	628	97%	160	65%	22	3%	86	35%
HU	21,705	97%	2,110	16%	706	3%	11,462	84%
IT	46,246	97%	10,380	42%	1,426	3%	14,279	58%
RO	3,719	97%	1,858	64%	113	3%	1,035	36%
IE	8,498	99%	384	23%	84	1%	1,268	77%
ES	117,323	99%	2,282	32%	1,061	1%	4,761	68%
GR	11,498	100%	1,136	97%	16	0%	31	3%
<b>Total</b>	<b>362,847</b>	<b>94%</b>	<b>59,522</b>	<b>30%</b>	<b>24,026</b>	<b>6%</b>	<b>136,339</b>	<b>70%</b>

The distribution of operations across priority themes indicates that "transport" (37%), "adaptability of workers and firms" (19%), and "urban and rural regeneration" (16%) present the highest shares of operations above Threshold No.4. The greatest share of total cost above the threshold is also under the priority theme of "transport". However, the second-greatest share of operations above the threshold in terms of cost is under "access to employment and sustainability", despite it being ranked 5<sup>th</sup> in terms of the number of operations.

The analysis by Regions shows that operations **above the Threshold No. 4** located in "Cross-border", "Convergence", and "Regional competitiveness" regions account respectively for 17%, 6%, and 3% of the operations. In terms of the value of operations, the convergence regions account for the highest share in value (74%) followed by cross-border regions (61%) and regional competitiveness regions (50%) indicating that it is in convergent regions where most high value projects have been supported.

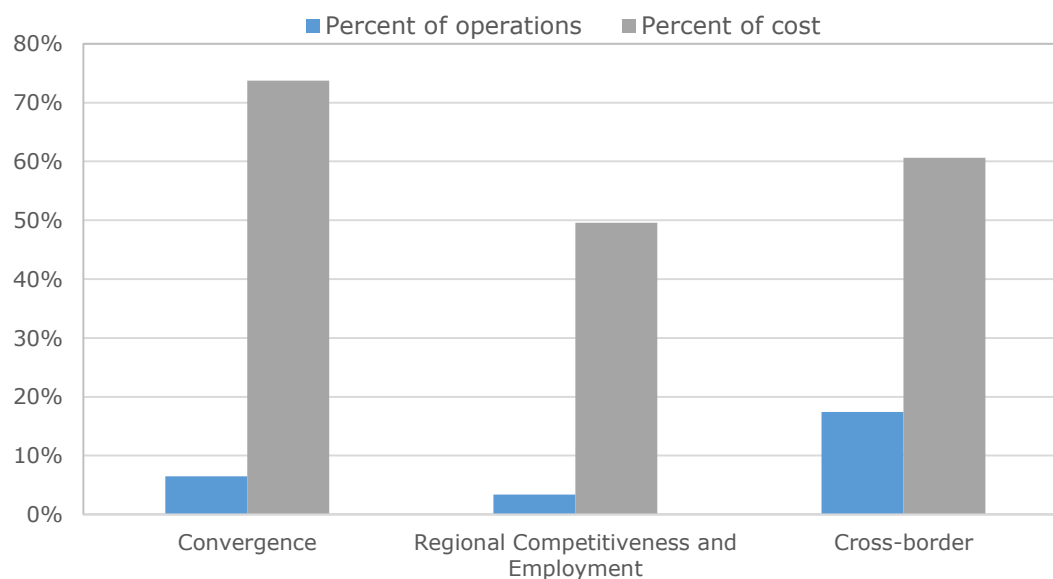
**Figure 52: Observed share of total cost of operations above Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Priority Theme category**



**Table 31: Observed distribution of operations around Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Priority Theme category**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transport	3,459	63%	2,996	9%	2,053	37%	28,543	91%
Adaptability of workers and firms	249	81%	138	18%	60	19%	640	82%
Urban and rural regeneration	4,934	84%	1,486	27%	964	16%	3,948	73%
Culture	3,738	86%	1,132	33%	591	14%	2,283	67%
Access to employment and sustainability	410	87%	118	14%	62	13%	738	86%
Environmental protection and risk prevention	20,151	87%	4,442	20%	3,024	13%	17,911	80%
Tourism	5,407	87%	1,690	30%	803	13%	3,990	70%
Social inclusion	274	90%	76	36%	32	10%	137	64%
Social infrastructure	14,821	90%	3,044	31%	1,703	10%	6,830	69%
Institutional capacity	710	91%	171	45%	68	9%	206	55%
Technical assistance	8,464	94%	1,106	32%	534	6%	2,378	68%
Reforms in employment and inclusion	366	95%	95	61%	20	5%	62	39%
Energy	22,998	96%	4,127	48%	1,011	4%	4,464	52%
Human capital	3,304	96%	757	61%	133	4%	478	39%
Research, development, and innovation	180,634	96%	20,799	37%	6,895	4%	35,691	63%
Development of outermost regions	3,313	97%	554	70%	89	3%	241	30%
Information society	40,260	98%	3,215	49%	734	2%	3,365	51%
<b>Total</b>	<b>313,492</b>	<b>94%</b>	<b>45,946</b>	<b>29%</b>	<b>18,776</b>	<b>6%</b>	<b>111,905</b>	<b>71%</b>

**Figure 53: Estimated share of total cost and number of operations above Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Category of Region**

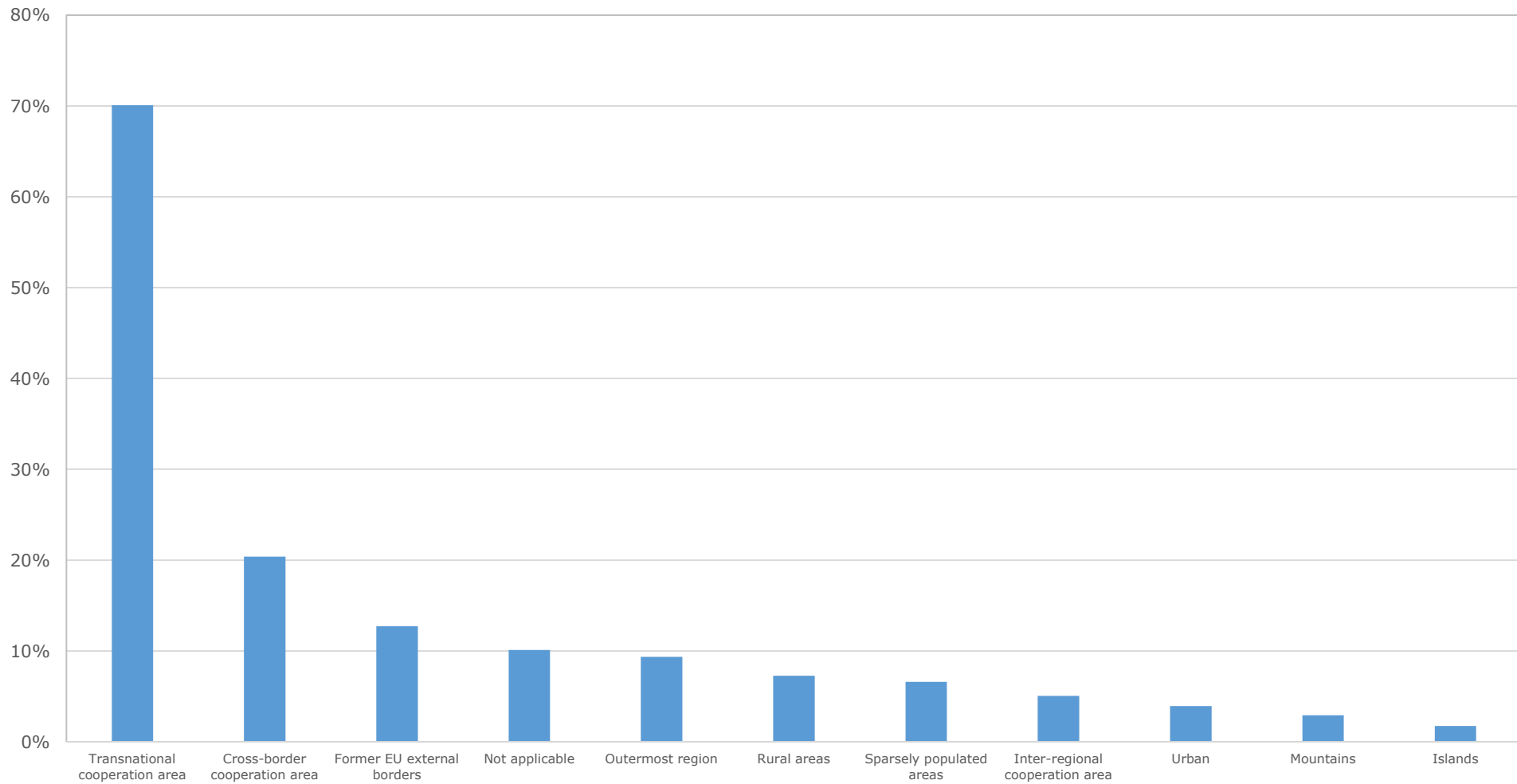


**Table 32: Estimated distribution of operations around Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Category of Region**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Convergence	231,836	94%	39,622	26%	16,062	6%	111,364	74%
Regional Competitiveness and Employment	125,048	97%	18,421	50%	4,391	3%	18,126	50%
Cross-border	8,339	83%	3,483	39%	1,760	17%	5,357	61%
<b>Total</b>	<b>365,223</b>	<b>94%</b>	<b>61,527</b>	<b>31%</b>	<b>22,213</b>	<b>6%</b>	<b>134,847</b>	<b>69%</b>

The analysis of operations **with values above Threshold No. 4** in terms of the territorial dimension indicates that “transnational cooperation areas” present 70% of their operations above the threshold, while other types of territories present shares of operations above the threshold well below the transnational type. For instance, these include territories such as “cross-border cooperation areas” (20%). On the other hand, the territorial dimensions “mountains” or “islands” account nearly all of their operations **below the threshold** (respectively 97% and 98% of their operations).

**Figure 54: Observed share of total cost of operations above Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Territorial Dimension**





**Table 33: Observed distribution of operations around Threshold No.4 (EUR 1,000,000 total eligible expenditure) by Territorial Dimension**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transnational cooperation area	178	30%	107	9%	417	70%	1,111	91%
Cross-border cooperation area	4,342	80%	2,210	38%	1,111	20%	3,629	62%
Former EU external borders	3,387	87%	284	12%	493	13%	2,153	88%
Not applicable	33,769	90%	5,677	16%	3,792	10%	30,345	84%
Outermost region	4,213	91%	1,218	36%	435	9%	2,200	64%
Rural areas	48,706	93%	9,878	33%	3,817	7%	20,307	67%
Sparsely populated areas	5,283	93%	802	37%	373	7%	1,362	63%
Inter-regional cooperation area	207	95%	43	65%	11	5%	23	35%
Urban	196,099	96%	24,604	33%	8,023	4%	49,038	67%
Mountains	6,914	97%	765	50%	207	3%	763	50%
Islands	7,291	98%	212	36%	129	2%	380	64%
<b>Total</b>	<b>310,389</b>	<b>94%</b>	<b>45,802</b>	<b>29%</b>	<b>18,808</b>	<b>6%</b>	<b>111,312</b>	<b>71%</b>

### 3.2.8. Threshold No.5 – EUR 200,000 Total Eligible Expenditure

The analysis of Threshold No.4 looks at the threshold which is set out in Art. 148(1) CPR. To ensure a proportional control of operation programmes the provision sets out that operations for which the total eligible expenditure does not exceed EUR 200,000 for the ERDF and the Cohesion Fund, shall not be subject to more than one audit by either the audit authority or the Commission prior to the submission of the accounts for the accounting year in which the operation is completed. This threshold therefore significantly reduces the audit burden for small operations. As shown below, 79% of all the operations benefit from a reduced administrative burden from only having to submit to a single audit. It should be noted that these operations represent only 12% in terms of total cost of operations. The distribution of operations around this threshold is shown below in Table 34.

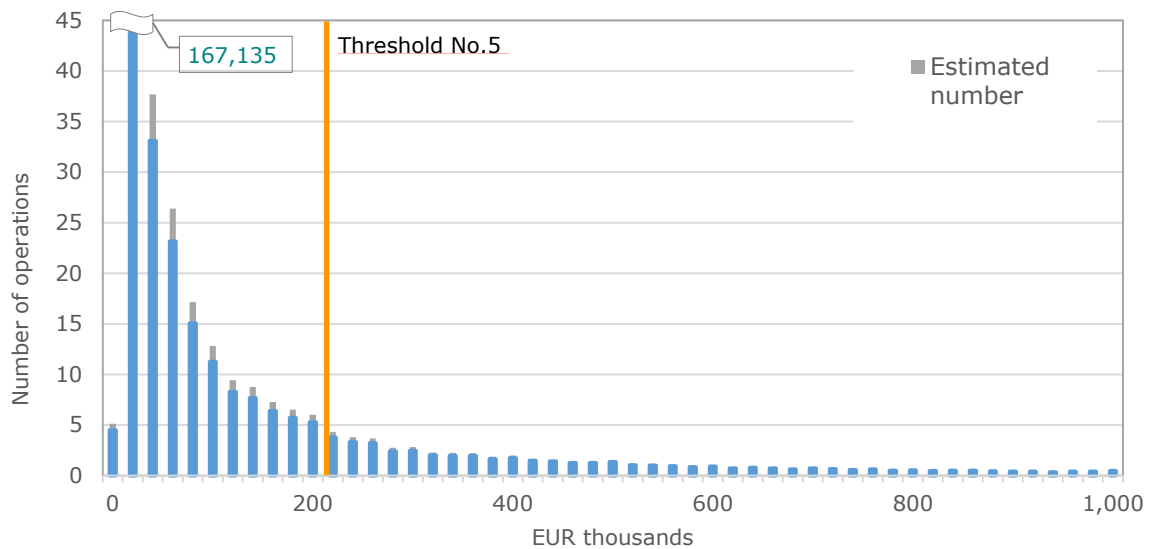
**Table 34: Estimated operations above and below Threshold No.5 (EUR 200,000 total eligible expenditure)**

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	80,990	21%	173,215	88%
Below threshold	305,883	79%	22,646	12%
<b>Total</b>	<b>386,873</b>	<b>100%</b>	<b>195,861</b>	<b>100%</b>

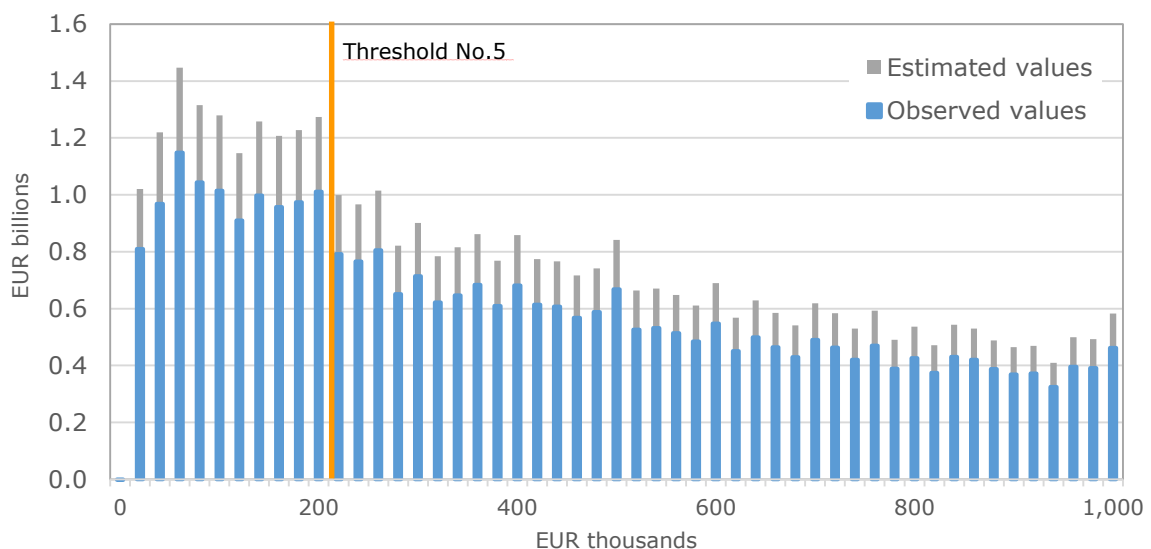
The respective distributions of operations and value around Threshold No. 5 are presented in Figure 55 and Figure 56 below. As expected, with many operations falling

below the threshold, the distribution of operations is concentrated towards the left side indicating a high number of operations with a small value below the threshold. In the case of the distribution of value, the concentration towards the beginning of the distribution is less pronounced but still visible.

**Figure 55: Estimated distribution of operations around Threshold No.5 (EUR 200,000 total eligible expenditure) by number**

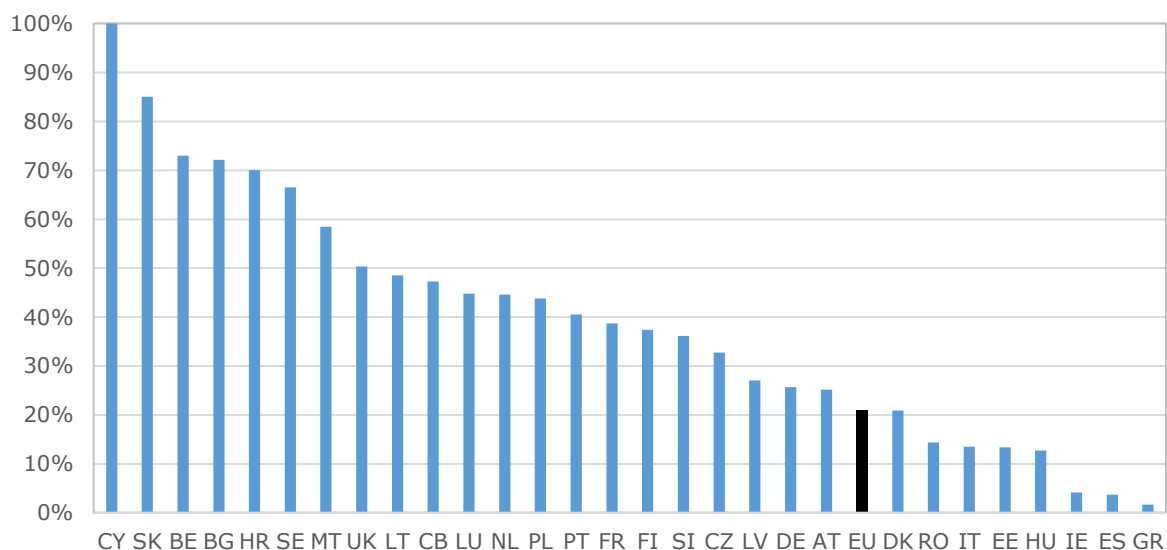


**Figure 56: Estimated distribution of operations around Threshold No.5 (EUR 200,000 total eligible expenditure) by total cost**



When looking at the MS, the picture is very diverse. As regards the share of total cost of operations above the EUR 200,000 threshold, while the EU average is 21% for some MS this value is considerably higher, with it being as high as 100% in Cyprus. After this, the countries with the greatest share of operations above the threshold include Slovakia (85%), Belgium (73%) and Bulgaria (72%) and Croatia (70%). On the other side of the spectrum, the share of operations above the threshold is only 4% in Ireland and Spain, and just 2% in Greece.

**Figure 57: Estimated share of operations above Threshold No.5 (EUR 200,000 total eligible expenditure) by Member State**



**Table 35: Estimated distribution of operations around Threshold No.5 (EUR 200,000 total eligible expenditure) by Member State**

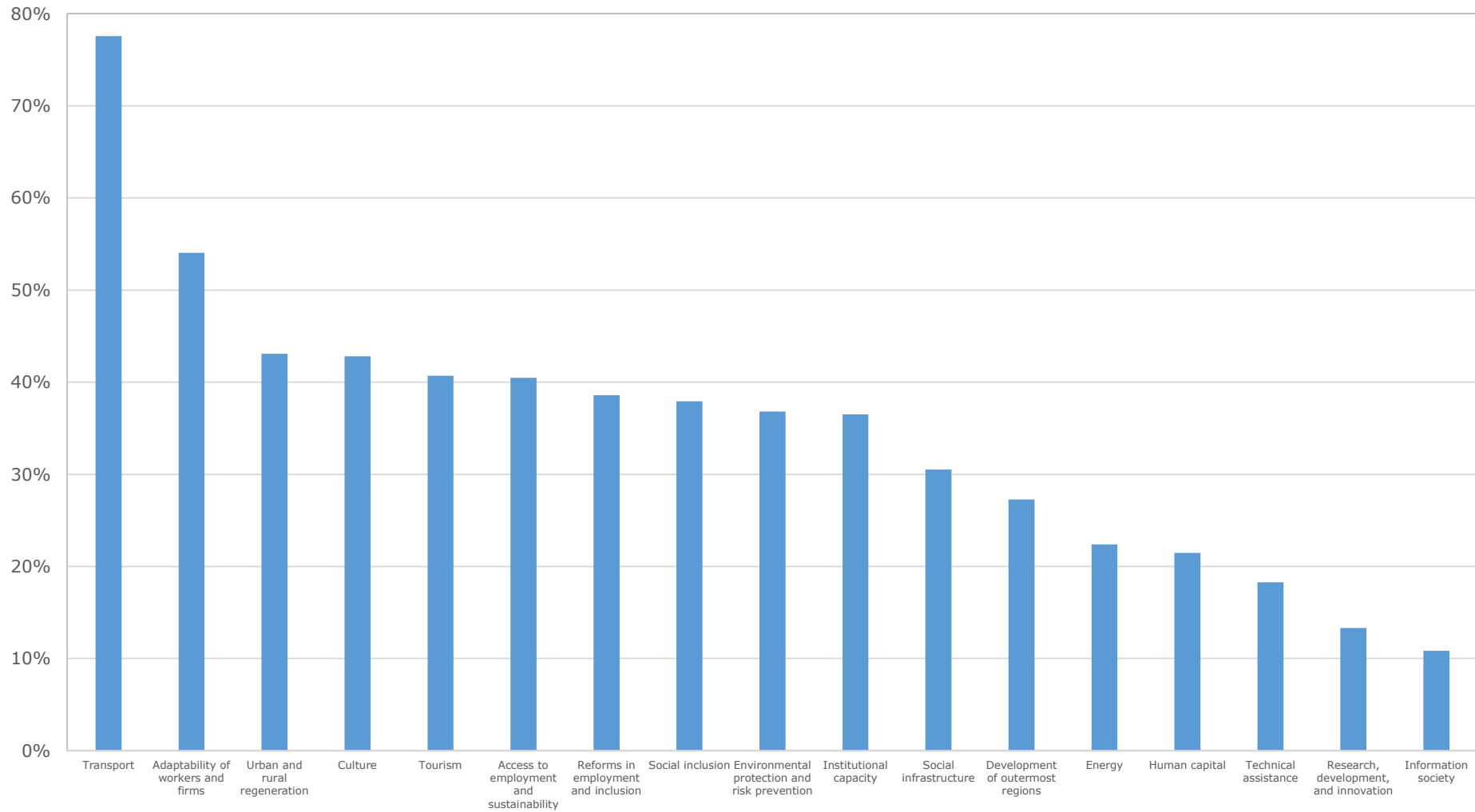
	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	0	0%	0	0%	16	100%	92	100%
SK	644	15%	20	0%	3,650	85%	5,986	100%
BE	81	27%	10	3%	219	73%	271	97%
BG	328	28%	35	1%	849	72%	2,825	99%
HR	35	30%	4	2%	82	70%	146	98%
SE	351	33%	43	3%	697	67%	1,289	97%
MT	27	42%	4	5%	38	58%	90	95%
UK	665	50%	85	3%	675	50%	2,582	97%
LT	2,288	51%	206	5%	2,157	49%	4,020	95%
CB	5,322	53%	899	10%	4,775	47%	7,941	90%
LU	37	55%	12	15%	30	45%	70	85%
NL	247	55%	58	13%	199	45%	400	87%
PL	21,631	56%	2,050	5%	16,867	44%	38,443	95%
PT	7,301	59%	657	7%	4,981	41%	8,424	93%
FR	12,011	61%	2,207	17%	7,587	39%	10,592	83%
FI	3,407	63%	242	13%	2,035	37%	1,558	87%
SI	6,493	64%	1,268	9%	3,679	36%	12,929	91%
CZ	18,694	67%	2,114	11%	9,113	33%	17,648	89%
LV	3,697	73%	169	7%	1,373	27%	2,171	93%
DE	14,158	74%	3,187	26%	4,890	26%	8,903	74%

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	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
AT	3,281	75%	115	4%	1,103	25%	2,744	96%
DK	514	79%	26	11%	136	21%	219	89%
RO	3,281	86%	774	27%	551	14%	2,118	73%
IT	41,246	87%	4,842	20%	6,426	13%	19,816	80%
EE	7,029	87%	204	10%	1,087	13%	1,919	90%
HU	19,555	87%	1,143	8%	2,856	13%	12,429	92%
IE	8,225	96%	260	16%	357	4%	1,392	84%
ES	114,012	96%	1,053	15%	4,372	4%	5,990	85%
GR	11,324	98%	959	82%	190	2%	208	18%
<b>Total</b>	<b>305,883</b>	<b>79%</b>	<b>22,646</b>	<b>12%</b>	<b>80,990</b>	<b>21%</b>	<b>173,215</b>	<b>88%</b>

The distribution of operations across priority themes indicates that transport, environmental protection, and risk prevention, increasing the adaptability of workers and firms, and urban and rural regeneration present the highest shares of operations above Threshold No. 5 (respectively 78%, 54%, and 43% respectively), while the distribution of total eligible expenditure indicates that the first two, transport, and increasing the adaptability of workers and firms account for the highest share of value in terms of operations above threshold (99% and 97% respectively).

**Figure 58: Observed share of total cost of operations above Threshold No.5 (EUR 200,000 total eligible expenditure) by Priority Theme category**

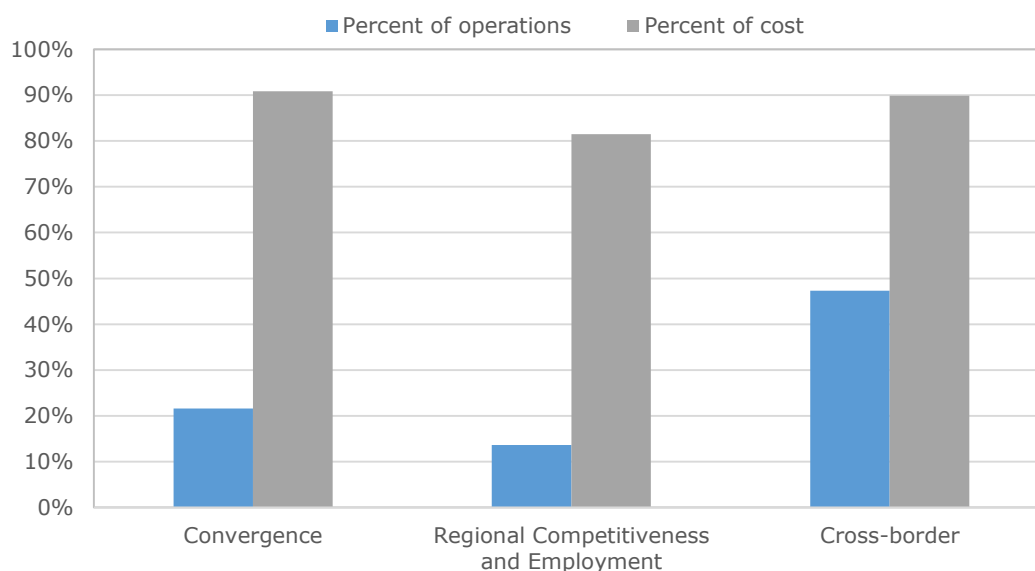


**Table 36: Observed distribution of operations around Threshold No. 5 (EUR 200,000 total eligible expenditure) by Priority Theme category**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transport	1,236	22%	374	1%	4,276	78%	31,165	99%
Adaptability of workers and firms	142	46%	26	3%	167	54%	753	97%
Urban and rural regeneration	3,357	57%	464	9%	2,541	43%	4,970	91%
Culture	2,476	57%	258	8%	1,853	43%	3,157	92%
Tourism	3,683	59%	433	8%	2,527	41%	5,247	92%
Access to employment and sustainability	281	60%	44	5%	191	40%	812	95%
Reforms in employment and inclusion	237	61%	23	14%	149	39%	135	86%
Social inclusion	190	62%	29	14%	116	38%	184	86%
Environmental protection and risk prevention	14,646	63%	1,310	6%	8,529	37%	21,042	94%
Institutional capacity	494	63%	66	17%	284	37%	311	83%
Social infrastructure	11,480	69%	967	10%	5,044	31%	8,907	90%
Development of outermost regions	2,474	73%	184	23%	928	27%	611	77%
Energy	18,636	78%	1,469	17%	5,373	22%	7,122	83%
Human capital	2,699	79%	393	32%	738	21%	842	68%
Technical assistance	7,353	82%	328	9%	1,645	18%	3,156	91%
Research, development, and innovation	162,542	87%	8,998	16%	24,987	13%	47,492	84%
Information society	36,546	89%	1,684	26%	4,448	11%	4,897	74%
<b>Total</b>	<b>268,472</b>	<b>81%</b>	<b>17,047</b>	<b>11%</b>	<b>63,796</b>	<b>19%</b>	<b>140,803</b>	<b>89%</b>

The analysis by Regions shows that operations **above the threshold** located in "Cross-border", "Convergence", and "Regional competitiveness" regions account respectively for 47%, 22%, and 14% of the operations. In terms of the value of operations, the convergence regions account for the highest share in value (91%) followed by cross-border regions (90%) and regional competitiveness regions (81%).

**Figure 59: Estimated share of total cost and number of operations above Threshold No.5 (EUR 200,000 total eligible expenditure) by Category of Region**

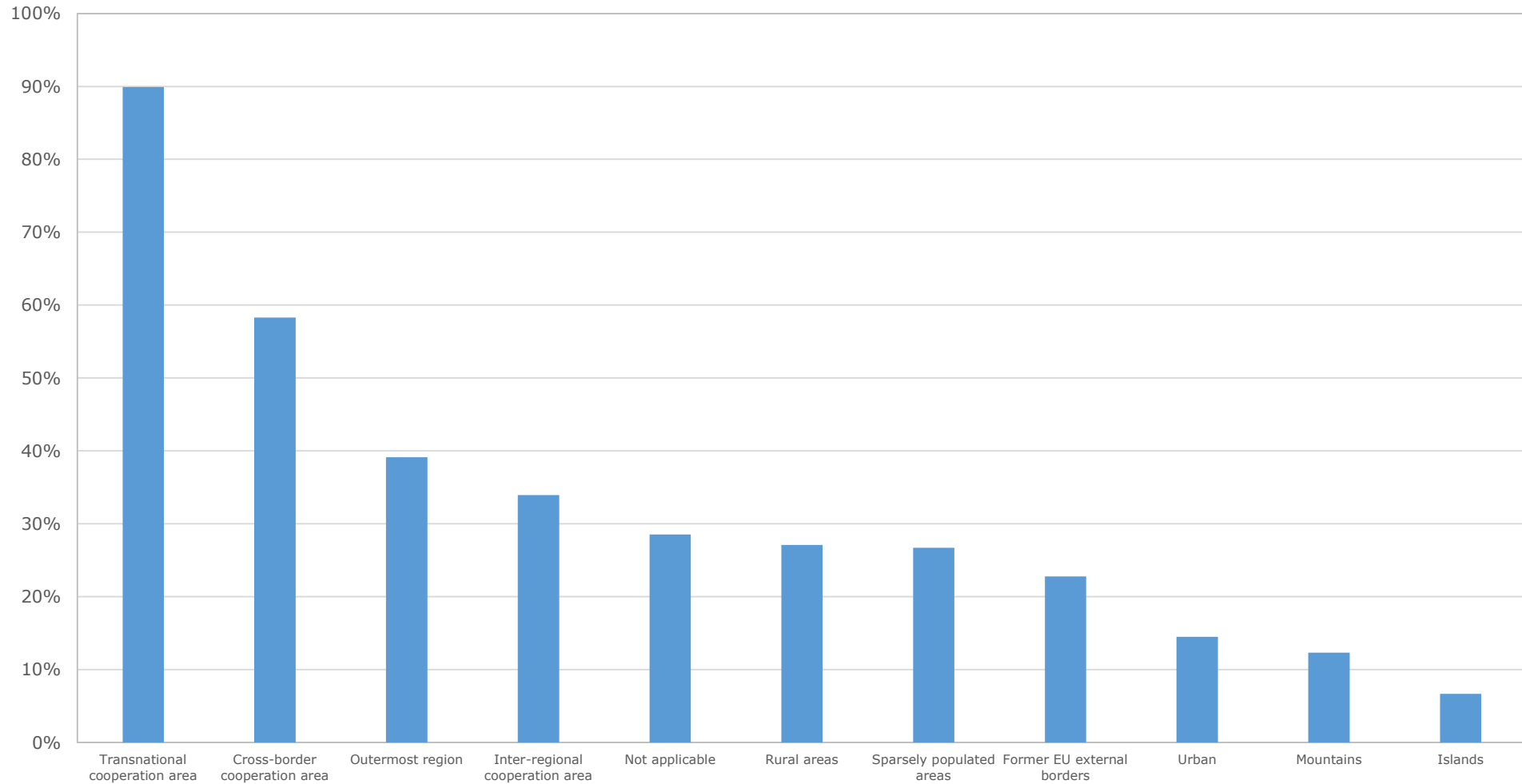


**Table 37: Estimated distribution of operations around Threshold No.5 (EUR 200,000 total eligible expenditure) by Category of Region**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Convergence	194,381	78%	13,854	9%	53,517	22%	137,133	91%
Regional Competitiveness and Employment	111,776	86%	6,776	19%	17,663	14%	29,771	81%
Cross-border	5,323	53%	899	10%	4,776	47%	7,941	90%
<b>Total</b>	<b>311,480</b>	<b>80%</b>	<b>21,529</b>	<b>11%</b>	<b>75,956</b>	<b>20%</b>	<b>174,845</b>	<b>89%</b>

The analysis of operations **above Threshold No. 5** in terms of the territorial dimension indicates 90% of operations in "transnational cooperation areas" are above the threshold. In territories such as "cross-border cooperation areas" (58%) fewer operations, but nonetheless the majority of operations fall above the threshold. Operations in the territorial dimensions "mountains" or "islands" on the other hand mostly fall beneath the threshold (88% and 93% respectively).

**Figure 60: Observed share of total cost of operations above Threshold No.5 (EUR 200,000 total eligible expenditure) by Territorial Dimension**





**Table 38: Observed distribution of operations around Threshold No.5 (EUR 200,000 total eligible expenditure) by Territorial Dimension**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
Transnational cooperation area	60	10%	7	1%	535	90%	1,211	99%
Cross-border cooperation area	2,275	42%	492	8%	3,178	58%	5,347	92%
Outermost region	2,829	61%	370	11%	1,819	39%	3,049	89%
Inter-regional cooperation area	144	66%	14	21%	74	34%	53	79%
Not applicable	26,851	71%	1,982	6%	10,710	29%	34,040	94%
Rural areas	38,291	73%	3,414	11%	14,232	27%	26,772	89%
Sparsely populated areas	4,146	73%	148	7%	1,510	27%	2,016	93%
Former EU external borders	2,996	77%	99	4%	884	23%	2,338	96%
Urban	174,566	86%	9,913	13%	29,556	14%	63,730	87%
Mountains	6,245	88%	392	26%	876	12%	1,136	74%
Islands	6,925	93%	73	12%	495	7%	519	88%
<b>Total</b>	<b>265,328</b>	<b>81%</b>	<b>16,905</b>	<b>11%</b>	<b>63,869</b>	<b>19%</b>	<b>140,210</b>	<b>89%</b>

### 3.2.9. Threshold No.6 – EUR 250 Amounts to be recovered

Threshold No.6 is relevant to amounts which are unduly paid to a beneficiary and which need to be recovered. Article 122 (2) CPR sets out that Member States may decide not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the Funds.<sup>23</sup> As such, this threshold analysis looks at the number of operations where a recovery has been declared in the 2007-2013 period and the proportion of these that would fall below the threshold of EUR 250. Threshold No.6 is relevant to the data field regarding amounts to be recovered. It should be noted that any operation where a value of 0 was recorded in the data field “amounts to be recovered” was discarded from the analysis, assuming that for these operations no recovery procedure was launched.

The result of the analysis indicates that only 5% of all operations where a recovery procedure has been carried out in the 2007-2013 period would benefit from this

<sup>23</sup> It should be noted that there is no such threshold in the regulatory framework of the 2007-2013 period; therefore Managing Authorities were obliged to recover even very small amounts of EU support.

threshold in the 2014-2020 period. It can be also seen from table 39 below that the budget risks for the Commission are very low; they are calculated to be around EUR 85,000.

**Table 39: Observed operations with amounts to be recovered above and below Threshold No.6 (EUR 250 amounts to be recovered)**

	Number of operations	Percent of total operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered
Above threshold	18,251	95%	23,439	97%	2,724,745	100%
Below threshold	1,001	5%	845	3%	85	0%
<b>Total</b>	<b>19,252</b>	<b>100%</b>	<b>24,284</b>	<b>100%</b>	<b>2,724,830</b>	<b>100%</b>

Table 40 below provides the number of operations and the total value of amounts to be recovered across several hypothetical thresholds representing the risk associated with changes in the original Threshold No. 6. As the threshold is increased, the number and share of operations with declared amounts to be recovered also increases marginally. However, the increase in total value is marginal until reaching a hypothetical threshold of EUR 10,000 where the amounts to be recovered would total around EUR 23.5 million. Also this threshold would cover more than one third of all recovery cases.

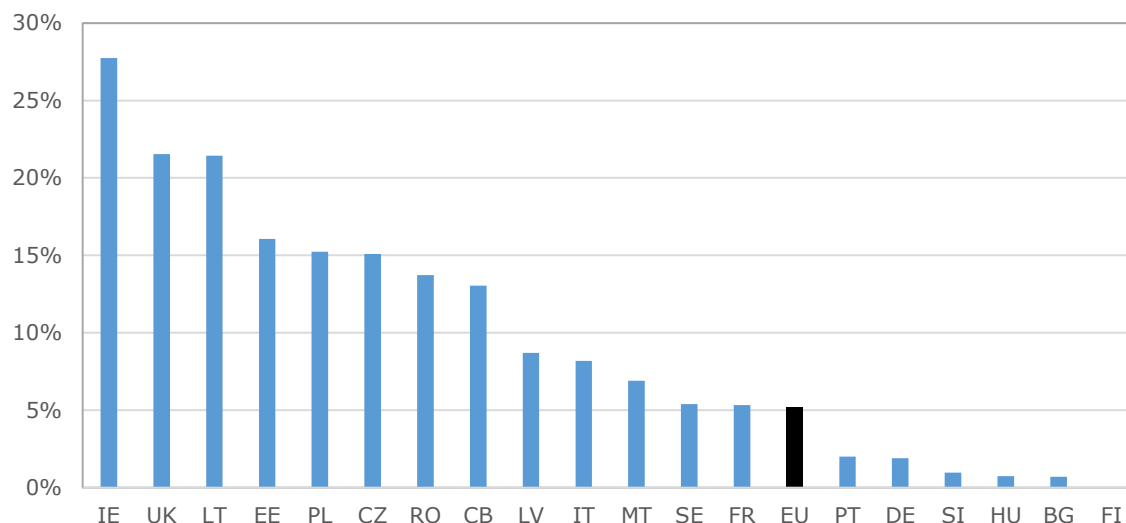
**Table 40: Observed amounts to be recovered by different levels of Threshold No.6 (EUR 250 amounts to be recovered)**

Threshold	Number of operations	Percent of total number	Amounts to be recovered (EUR thousands)	Percent of total value
EUR 50	428	1%	7	0.00%
EUR 100	619	2%	21	0.00%
EUR 250	1,001	3%	85	0.00%
EUR 500	1,417	5%	240	0.01%
EUR 1,000	1,935	7%	623	0.02%
EUR 5,000	4,929	17%	8,761	0.32%
EUR 10,000	6,930	23%	23,477	0.86%
Above EUR 10,000	12,334	42%	2,701,665	98.79%

Figure 61 and Table 41 below provide the distribution of operations around Threshold No.6 by Member State. Of the operations with a value under "amounts to be recovered" other than zero, more than 20% of these are below the threshold in Ireland (28%), the UK (22%) and Latvia (21%), indicating that these MS would profit the most from the threshold. On average, 5% of all operations would benefit from the

threshold. It is important to note that several member states are omitted from this analysis as these had no operations with any value for “amounts to be recovered”.

**Figure 61: Observed share of amounts to be recovered of operations below Threshold No.6 (EUR 250 amounts to be recovered) by Member State**



**Table 41: Observed distribution of amounts to be recovered around Threshold No.6 (EUR 250 amounts to be recovered) by Member State**

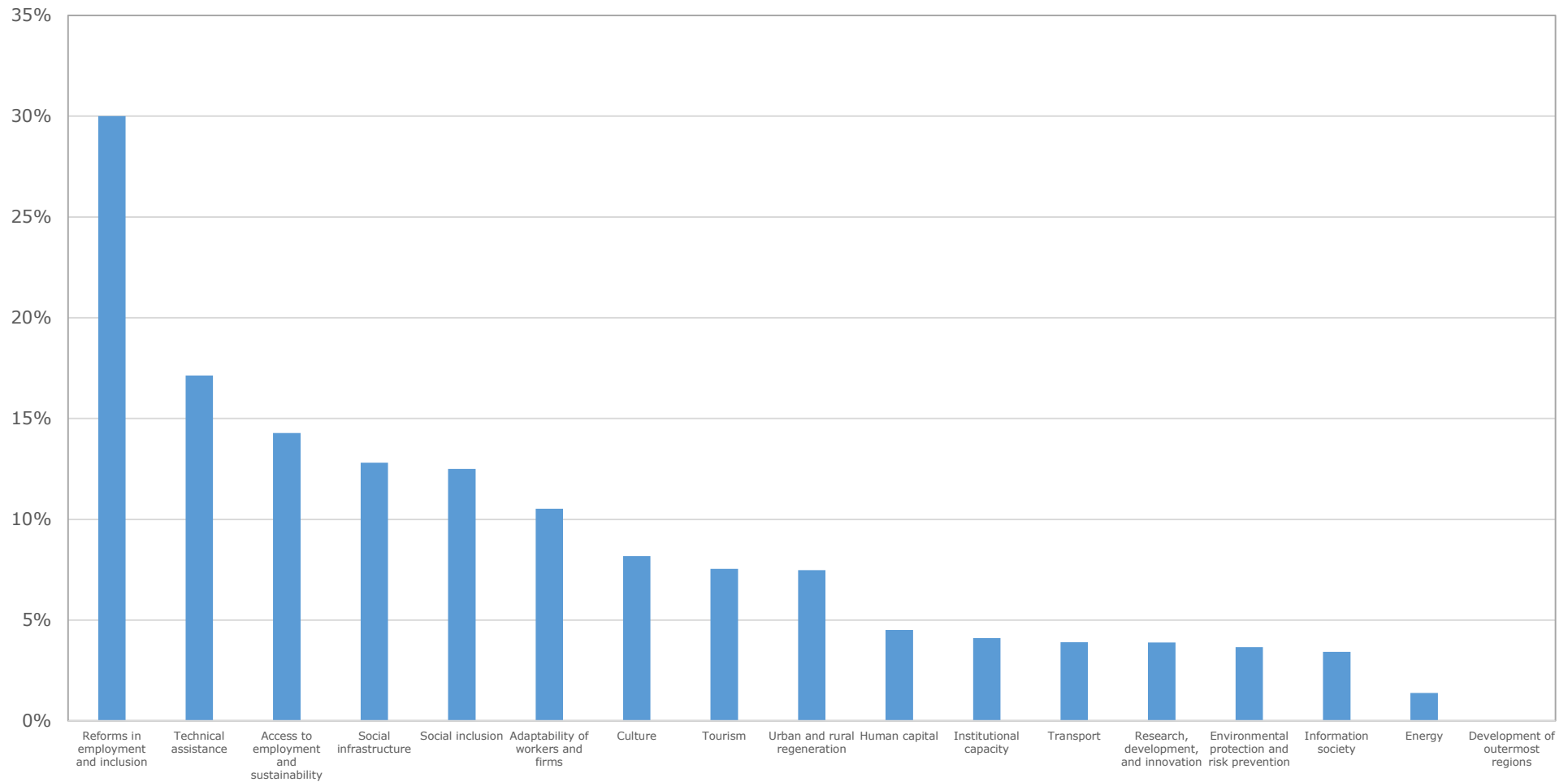
	Below the threshold						Above the threshold					
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered	Percent of amount to be recovered	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered
IE	38	28%	5	3%	4	0%	99	72%	158	97%	1,203	100%
UK	118	22%	124	7%	11	0%	430	78%	1,643	93%	46,241	100%
LT	3	21%	1	9%	0	0%	11	79%	11	91%	494	100%
EE	49	16%	50	12%	5	0%	256	84%	386	88%	5,322	100%
PL	262	15%	169	5%	21	0%	1,458	85%	3,050	95%	44,466	100%
CZ	140	15%	39	4%	11	0%	788	85%	1,067	96%	51,492	100%
RO	32	14%	53	6%	3	0%	201	86%	778	94%	9,282	100%
CB	160	13%	216	12%	11	0%	1,067	87%	1,561	88%	430,562	100%
LV	20	9%	5	2%	3	0%	210	91%	256	98%	86,825	100%
IT	23	8%	20	16%	1	0%	258	92%	100	84%	23,674	100%
MT	2	7%	0	1%	0	0%	27	93%	50	99%	666	100%
SE	10	5%	29	16%	1	0%	175	95%	147	84%	17,889	100%
FR	21	5%	11	2%	2	0%	372	95%	611	98%	378,741	100%
PT	1	2%	3	5%	0	0%	49	98%	52	95%	1,491	100%
DE	103	2%	63	3%	10	0%	5,301	98%	2,428	97%	715,048	100%
SI	8	1%	45	4%	1	0%	816	99%	1,226	96%	31,482	100%
HU	9	1%	14	0%	1	0%	1,196	99%	6,673	100%	84,347	100%
BG	1	1%	0	0%	0	0%	143	99%	1,453	100%	30,753	100%

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	Below the threshold						Above the threshold					
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	recovered (EUR thousands)	Percent of amount to be recovered	Percent of amount to be recovered	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered
FI	1	0%	0	0%	0	0%	5,394	100%	1,789	100%	764,767	100%
SK	0	0%	0	0%	0	0%	5	100%	29	100%	122	100%
BE	0	0%	0	0%	0	0%	3	100%	5	100%	131	100%
HR	0	0%	0	0%	0	0%	3	100%	3	100%	59	100%
DK	0	0%	0	0%	0	0%	1	100%	2	100%	0	100%
<b>Total</b>	<b>1,001</b>	<b>5%</b>	<b>847</b>	<b>3%</b>	<b>85</b>	<b>0%</b>	<b>18,263</b>	<b>95%</b>	<b>23,477</b>	<b>97%</b>	<b>2,725,057</b>	<b>100%</b>

While – as a general picture – the majority of operations are above the threshold of EUR 250 for amounts to be recovered, it sticks out that 30% of operations under the priority theme of “reforms and employment and industry” are below the threshold.

**Figure 62: Observed share of total cost of operations below Threshold No.6 (EUR 250 amounts to be recovered) by Priority Theme category**

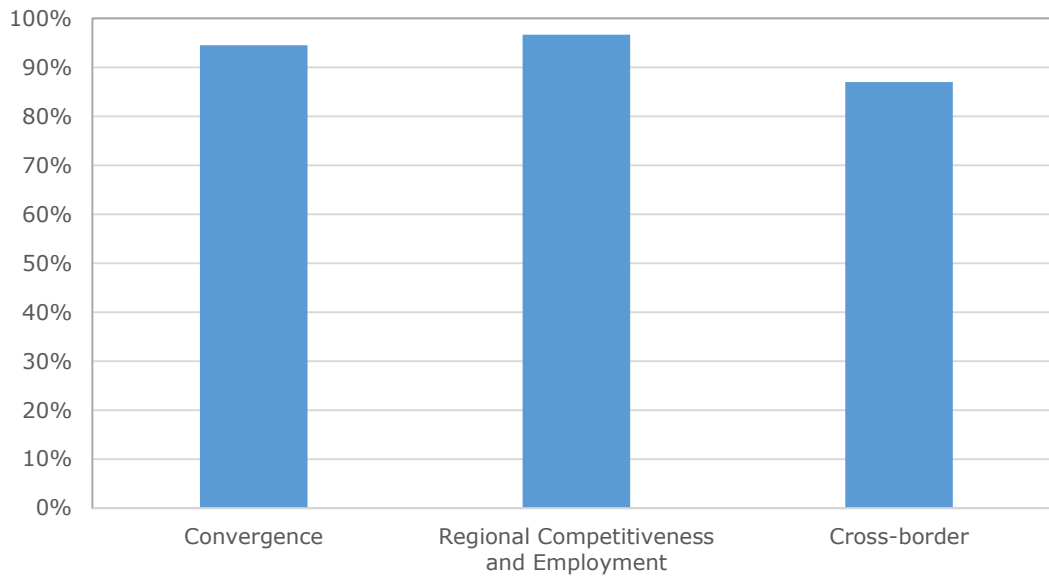


**Table 42: Observed distribution amounts to be recovered around Threshold No.6 (EUR 250 amounts to be recovered) by Priority Theme category**

	Below the threshold						Above the threshold					
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of amount to be recovered
Reforms in employment and inclusion	15	30%	4	19%	1	0%	35	70%	19	81%	2,557	100%
Technical assistance	62	17%	62	11%	4	0%	300	83%	515	89%	100,098	100%
Access to employment and sustainability	9	14%	58	10%	1	0%	54	86%	507	90%	4,542	100%
Social infrastructure	133	13%	67	3%	12	0%	905	87%	2,312	97%	121,270	100%
Social inclusion	4	13%	3	4%	0	0%	28	88%	76	96%	5,815	100%
Adaptability of workers and firms	4	11%	8	2%	0	0%	34	89%	448	98%	27,706	100%
Culture	43	8%	22	3%	4	0%	483	92%	612	97%	48,952	100%
Tourism	75	8%	37	2%	7	0%	920	92%	1,901	98%	119,487	100%
Urban and rural regeneration	62	7%	50	3%	6	0%	767	93%	1,452	97%	78,302	100%
Human capital	16	5%	6	4%	1	0%	339	95%	154	96%	17,045	100%
Institutional capacity	3	4%	1	2%	0	0%	70	96%	49	98%	12,276	100%
Transport	41	4%	73	1%	3	0%	1,011	96%	4,911	99%	390,477	100%
Research, development, and innovation	359	4%	220	3%	30	0%	8,886	96%	7,246	97%	1,270,146	100%
Environmental protection and risk prevention	38	4%	118	6%	3	0%	1,002	96%	1,886	94%	202,001	100%
Information society	54	3%	42	9%	4	0%	1,523	97%	408	91%	102,959	100%
Energy	23	1%	25	4%	2	0%	1,635	99%	550	96%	146,645	100%
Development of outermost regions	0	0%	0	0%	0	0%	64	100%	87	100%	67,008	100%
<b>Total</b>	<b>941</b>	<b>5%</b>	<b>796</b>	<b>3%</b>	<b>80</b>	<b>0%</b>	<b>18,056</b>	<b>95%</b>	<b>23,133</b>	<b>97%</b>	<b>2,717,284</b>	<b>100%</b>

Operations **below the threshold** located in “Cross-border”, “Convergence”, and “Regional competitiveness” regions accounted for 13%, 6%, and 3% respectively of the all the operations for which there was a non-zero value for “amounts to be recovered”. The greatest number of these operations were in convergence regions (1,618 operations).

**Figure 63: Observed share of number of operations above Threshold No.6 (EUR 250 amounts to be recovered) by Category of Region**

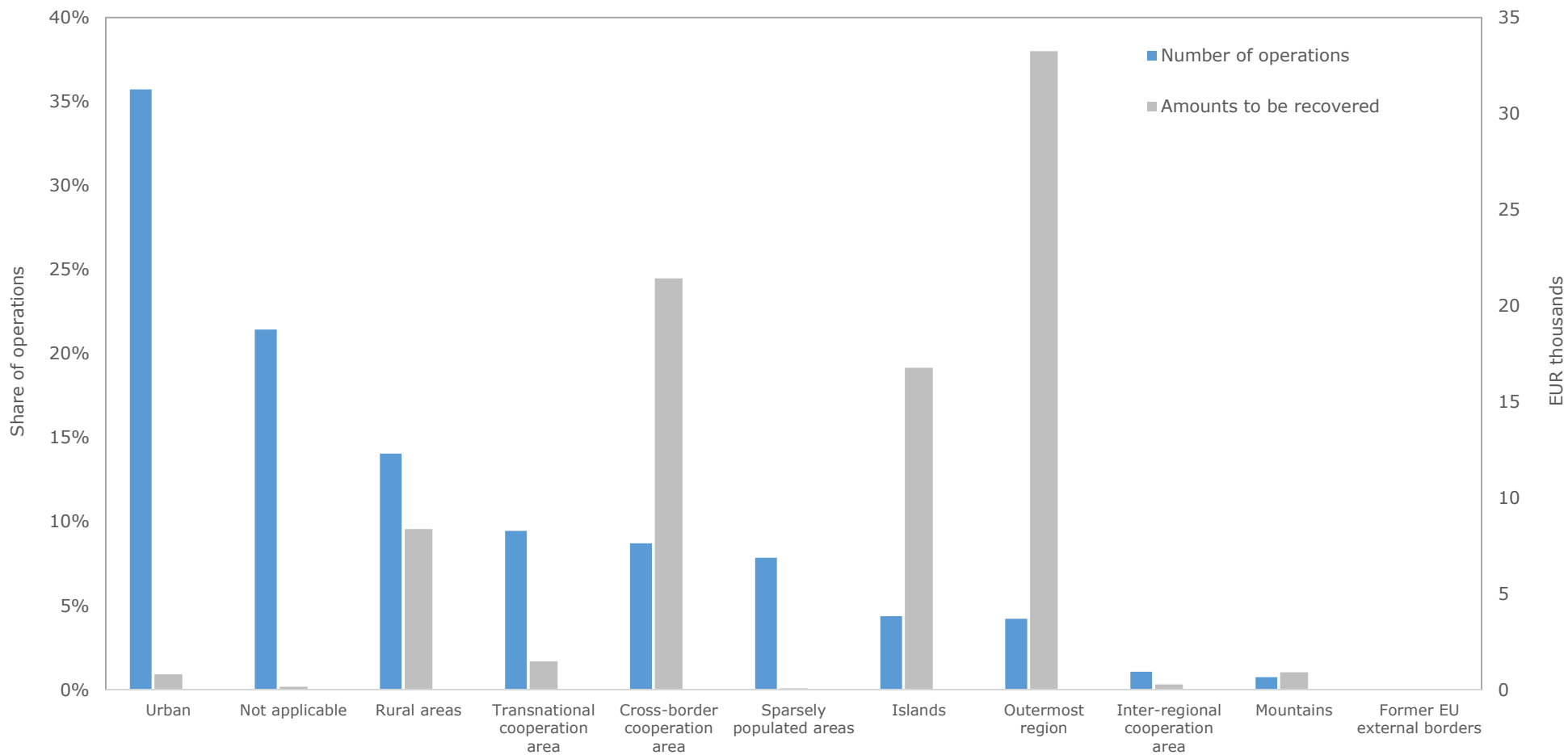


**Table 43: Observed distribution of operations with amounts to be recovered around Threshold No.6 (EUR 250 amounts to be recovered) by Category of Region**

	Below the threshold						Above the threshold					
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of total	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousands)	Percent of total
Convergence	610	6%	435	0%	54	0%	10,457	94%	1,388,579	100%	1,388,579	100%
Cross-border	160	13%	213	0%	11	0%	1,067	87%	430,562	100%	430,562	100%
Regional Competitiveness and Employment	231	3%	197	0%	20	0%	6,739	97%	905,916	100%	905,916	100%
<b>Total</b>	<b>1,001</b>	<b>5%</b>	<b>845</b>	<b>0%</b>	<b>85</b>	<b>0%</b>	<b>18,263</b>	<b>95%</b>	<b>2,725,057</b>	<b>100%</b>	<b>2,725,057</b>	<b>100%</b>



**Figure 64: Observed number of operations and amounts to be recovered below Threshold No.6 (EUR 250 amounts to be recovered) by Territorial Dimension**



**Table 44: Observed distribution of operations around Threshold No.6 (EUR 250 amounts to be recovered) by Territorial Dimension**

	Below the threshold					Above the threshold						
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR thousand)	Percent of cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Amounts to be recovered (EUR millions)	Percent of cost
Urban	15	36%	100,090	96%	1	0%	27	64%	4,048	4%	4,048	100%
Not applicable	3	21%	1,201	72%	0	0%	11	79%	468	28%	468	100%
Rural areas	117	14%	99,296	67%	8	0%	716	86%	49,470	33%	49,470	100%
Transnational cooperation area	12	9%	19,098	68%	1	0%	115	91%	8,802	32%	8,802	100%
Cross-border cooperation area	234	9%	112,215	51%	21	0%	2,454	91%	105,923	49%	105,923	100%
Sparsely populated areas	4	8%	689	15%	0	0%	47	92%	4,033	85%	4,033	100%
Islands	182	4%	106,806	22%	17	0%	3,984	96%	371,474	78%	371,474	100%
Outermost region	395	4%	338,641	22%	33	0%	8,968	96%	1,195,228	78%	1,195,228	100%
Inter-regional cooperation area	5	1%	1,635	0%	0	0%	468	99%	751,463	100%	751,463	100%
Mountains	10	1%	22,619	9%	1	0%	1,357	99%	228,949	91%	228,949	100%
Former EU external borders	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>977</b>	<b>5%</b>	<b>802,290</b>	<b>23%</b>	<b>83</b>	<b>0%</b>	<b>18,147</b>	<b>95%</b>	<b>2,719,859</b>	<b>77%</b>	<b>2,719,859</b>	<b>100%</b>

In terms of the territorial dimension, the greatest proportion of operations with amounts to be recovered below the threshold are in transnational cooperation areas (36%), inter-regional cooperation areas (21%) and rural areas (19%), the operations for the latter of these accounted for the greatest total cost at EUR 1.04 million.

### *3.2.10. Sensitivity analysis*

In addition to measuring the distribution of the number of operations and total cost around the six proposed thresholds, a sensitivity analysis was conducted to determine the impact of setting each of these thresholds at different levels. This sensitivity analysis consisted of assessing the change in distribution of the number of operations and of the total cost for the six thresholds if these were hypothetically raised or lowered. This is particularly valuable given that the thresholds are not yet final and could be subject to change.

This modelling was conducted at the level of the database for each of the thresholds, and at the level of the MS for Thresholds 1 to 5. Thus it was possible to identify those MS that would be most impacted by one of the hypothetical changes to the proposed thresholds. A summary of the findings can be found below in Table 45 and in Appendix D.

Overall, the potential impact of the hypothetical changes to the thresholds is consistent with the distribution of operations. Thus changes to the lower value thresholds, such as Threshold No.2 and Threshold No.5, would have a greater impact on the number of operations than higher value thresholds such as Threshold No.3. However, the opposite is true in terms of the total cost of operations.

For Threshold No.1, the analysis considered a change in the threshold of EUR 1 million to either EUR 800,000 or EUR 1,200,000. Such a change would have the greatest impact in Luxembourg and Croatia, where 13% of operations fall between the hypothetical lower and higher thresholds. Sweden would be similarly impacted, with 12% of their operations. In terms of the total cost Finland would see the greatest impact with 13% of operations by total cost falling between the hypothetical lower and higher thresholds. In Luxembourg, 10% of the total cost could be impacted.

For Threshold No.2, the EUR 50,000 threshold would either be lowered to EUR 40,000, or raised to EUR 60,000. Greece is the MS that would be most susceptible to such changes, with 18% of its operations by number and 9% of operations by total cost being potentially impacted. Finland then comes second in terms of sensitivity with 11% of its operations potentially affected. This however translates into less than 2% of potential change in total cost impacted.

For Threshold No.3, the EUR 50 million threshold would be decreased to EUR 40 million or increased to EUR 60 million, and for TO-7 operations, the EUR 75 million threshold would become EUR 70 and 80 million, respectively. In terms of percentage change, Bulgaria would be the most susceptible to these alterations with some 0.26% of operations potentially affected. However, given that the total number of operations above the original threshold equates to less than 0.1% of all operations in the EU, it is more appropriate to consider the absolute number of operations affected. In this light, Poland is most susceptible to potential changes in Threshold No.3, with a total of 29 operations affected should it be lowered or raised. This accounts for less than a 1% swing in the number of operations but a 4% swing in terms of total cost (almost EUR 1,500,000,000) for Poland and approximately 1% of the total cost of all operations in the database.

With many large operations in Italy, the Czech Republic and Poland, these countries were the most sensitive to any potential lowering of Threshold No.3, with 12, 16 and 17 fewer operations respectively falling under the lowered threshold. Of note, 12

operations in Poland would be impacted by the raised Threshold, indicating a concentration around the EUR 50 million mark (or EUR 75 million for TO7).

In terms of the impact on total cost of operations of changes to Threshold 3, Estonia is particularly sensitive with almost 7% of the total cost of its operations (EUR 152 million) being susceptible to potential changes in the threshold. Notably, Bulgaria could see a 5% increase of the total cost of its operations that would fall below the level of a lowered Threshold 3.

For Threshold No.4, as with Threshold No.1 the EUR 1,000,000 limit for total eligible costs would also change to either EUR 800,000 or EUR 1,200,000. Here also, Croatia and Sweden are the most sensitive to the proposed changes, with 10% of their operations potentially being impacted. Luxembourg is however less sensitive, with only a 4% increase in the number of operations above the threshold when it is lowered. The Czech Republic, Portugal and Italy could see a similar increase of 4%. With regards to total cost of potentially impacted operations, Denmark is particularly sensitive to changes in this threshold. 20% of the total cost of its operations could be impacted, notably it could see 11% of the total cost of its operations fall beneath the lowered threshold. Incidentally, Luxembourg could have 13% of its total cost fall beneath a lowered threshold, but a 0% change in the event of a raised threshold.

The analysis of Threshold No.5 considered a change from EUR 200,000 to either EUR 100,000 or EUR 300,000. Luxembourg is particularly sensitive to these hypothetical changes, with 46% of its operations being potentially impacted. This translates to a 22% swing in total cost. Belgium, Cross-border regions, and the Czech Republic are also relatively sensitive to such changes, with 31% of their operations potentially being impacted. In terms of total cost, susceptible MS also include: Finland, Germany and Denmark with a potential change of 15%, 14% and 13% respectively.

With regards to Threshold 6, the findings of the multi-phase sensitivity analysis (the results of which can be found in Section 3.2.9 in Table 40) suggest that raising the threshold of "amounts to be recovered" beyond EUR 250 results in a small incremental increase in the number of operations that fall beneath the threshold. Any increase in total cost is however very marginal, only going up by a fraction of a percentage.

**Table 45: Estimated distribution of operations around the existing and alternative Thresholds No.1, 2, 4 and 5, and observed distribution around Thresholds No. 3 and 6**

Threshold	Parameter assessed			Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
1	Total cost (revenue generating operations after completion)	Lower threshold EUR 800,000	Above threshold	38,276	10%	162,187	81%
			Below threshold	352,497	90%	37,289	19%
		Existing threshold EUR 1,000,000	Above threshold	31,721	8%	156,265	78%
			Below threshold	359,051	92%	43,211	22%
		Raised threshold EUR 1,200,000	Above threshold	27,343	7%	151,462	76%
			Below threshold	363,429	93%	48,014	24%
2	Total cost (revenue generating operations during their implementation)	Lower threshold EUR 40,000	Above threshold	200,403	51%	197,697	99%
			Below threshold	190,369	49%	1,779	1%
		Existing threshold EUR 50,000	Above threshold	187,852	48%	197,103	99%
			Below threshold	202,920	52%	2,373	1%
		Raised threshold EUR 60,000	Above threshold	178,299	46%	196,561	99%
			Below threshold	212,474	54%	2,915	1%
3	Total cost (major projects)	Lower threshold EUR 40,000,000 or 60,000,000 if TO7	Above threshold	282	0%	35,665	22%
			Below threshold	335,320	100%	125,287	78%
		Existing threshold EUR 50,000,000 or 75,000,000 if TO7	Above threshold	206	0.10%	32,149	20%
			Below threshold	335,396	100%	128,803	80%
		Raised threshold	Above threshold	173	0%	30,268	19%

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Threshold	Parameter assessed			Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
		EUR 70,000,000 or 80,000,000 if TO7	Below threshold	335,429	100%	130,684	81%
4	Total eligible expenditure (availability of documents)	Lower threshold EUR 800,000	Above threshold	29,315	8%	143,172	73%
			Below threshold	357,558	92%	52,689	27%
		Existing threshold EUR 1,000,000	Above threshold	24,026	6%	136,339	70%
			Below threshold	362,847	94%	59,522	30%
		Raised threshold EUR 1,200,000	Above threshold	20,459	5%	130,965	67%
			Below threshold	366,414	95%	64,895	33%
5	Total eligible expenditure (maximum number of audits)	Lower threshold EUR 100,000	Above threshold	121,230	31%	182,239	93%
			Below threshold	265,643	69%	13,622	7%
		Existing threshold EUR 200,000	Above threshold	80,990	21%	173,215	88%
			Below threshold	305,883	79%	22,646	12%
		Raised threshold EUR 300,000	Above threshold	62,503	16%	166,505	85%
			Below threshold	324,370	84%	29,356	15%
6	Amounts to be recovered	Original threshold EUR 250	Above threshold	18,251	95%	23,439	97%
			Below threshold	1,001	5%	845	3%

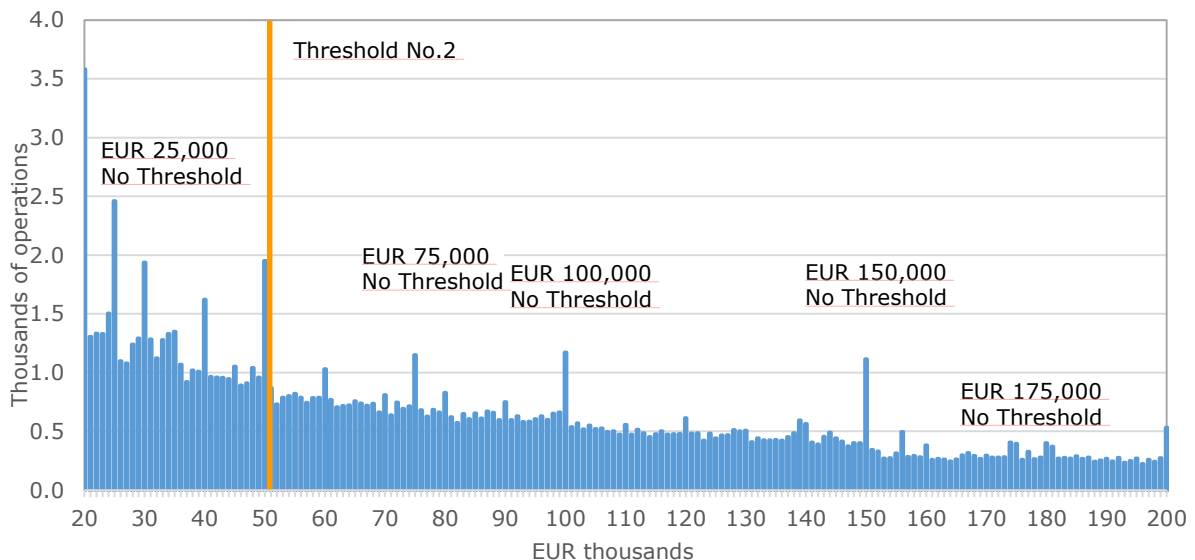
### 3.2.11. Unexpected threshold effects

The analysis shows interesting threshold effects on the distribution of total eligible cost. The graph illustrates a peak in the number of operations when reaching certain thresholds, followed by a drop of operations when passing the threshold amount.

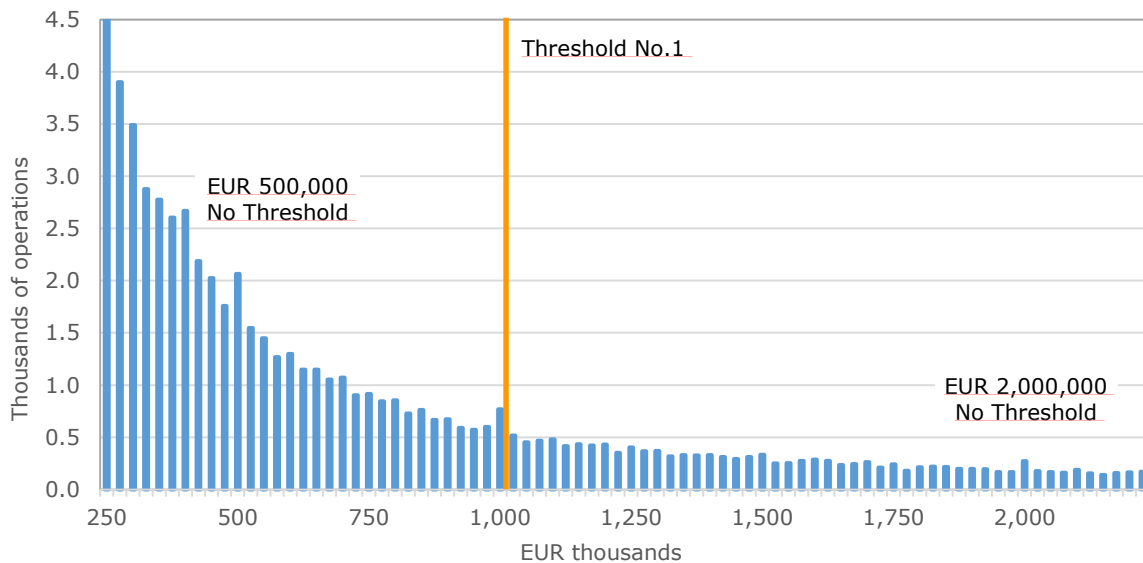
For example, this effect can be observed for the EUR 1 million threshold for operations with revenues to be deducted. Here, the motivation to avoid the complex rules on revenue-generating operations seems to be the explanation. However, this effect can also be witnessed for other thresholds where no European rules exist that establish legal consequences. For example, it was striking to find a threshold effect at EUR 200,000 in a database that covers 2007-2013 operations since this threshold was introduced only by the CPR for the 2014-2020 period. Further analysis showed that these effects can also be observed for other round numbers for which no relevant EU threshold exists.

While it could be the case that there are some other institutional forces in play (e.g. national thresholds), it is probable that it is the natural human tendency (for example managing authorities and economic operators) which tries to keep prices below big round figures so that the project does not sound too expensive. As shown in the figures below, similar effects can be observed (to a different degree) for the following thresholds and project sizes: EUR 25, 50 (Threshold No.2), 75, 100, 150, 175, 500 thousand, EUR 1 (Threshold No.1) and EUR 2 million.

**Figure 65: Apparent threshold effects in the observed distribution of operations by total cost**



**Figure 66: Apparent threshold effects in the observed distribution of operations by total cost**



### 3.2.12. Main conclusions on the threshold effects

Based on the observed data collected from the MS, it was possible to estimate values for the missing OPs for MS, total cost, total eligible expenditure, and category of region. Using this observed and estimated data allowed for a thorough analysis of the distribution of operations and total cost above and below the six thresholds.

The table below provides an overview of the findings of the threshold analysis, indicating the number of estimated (Thresholds No.1, 2, 4 and 5) and observed (Thresholds No.3 and 6) operations in the database above and below each threshold, along with their value in total cost.



**Table 46: Summary of the threshold analysis**

Threshold		Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
<b>1 Est.</b>	Above threshold	31,721	8%	156,265	78%
	Below threshold	359,051	92%	43,211	22%
<b>2 Est.</b>	Above threshold	187,852	48%	197,103	99%
	Below threshold	202,920	52%	2,373	1%
<b>3 Obs.</b>	Above threshold	206	0.1%	32,149	20%
	Below threshold	335,396	99.9%	128,803	80%
<b>4 Est.</b>	Above threshold	24,026	6%	136,339	70%
	Below threshold	362,847	94%	59,522	30%
<b>5 Est.</b>	Above threshold	80,990	21%	173,215	88%
	Below threshold	305,883	79%	22,646	12%
<b>6 Obs.</b>	Above threshold	18,251	95%	23,439	97%
	Below threshold	1,001	5%	845	3%

The sensitivity analysis allowed to measure the potential impact of hypothetical changes to the six thresholds. The analysis identified those MS for whom a comparatively large share of operations fell between the hypothetical higher and lower threshold in terms of both number of operations and total cost.

Finally, the threshold analysis has helped identify certain unexpected phenomena whereby there are noticeable increases in the number of operations upon reaching certain thresholds, followed by a drop of operations when passing the threshold amount. When these thresholds are associated with an administrative requirement, these can be explained by the motivation to avoid the application of certain rules. However, with a view to these effects also detectable for values where no legal threshold exists, it is also possible that human nature can account for such phenomena, whereby round numbers are avoided by MAs in order to make the cost of the project appear smaller and less expensive.

#### 4. CONCLUSION

The results of this study provide a valuable tool both for the evaluation of the six thresholds under discussion. The underlying database also allows to conduct analysis on operation level as regards number and size based on several parameters, ranging from priority theme dimension to form of finance. The database therefore allows for a description of operations that benefitted from ERDF and CF support during the 2007-2013 programming period.

It is important to note that the collected dataset is not a complete account of all operation level investments for the 2007-2013 period. The database only includes operations which were completed at the time of the data collection phase. As such, there is a substantial number of operations which had not yet been completed at the time of the data collection and therefore are not included in this database.

In addition, of the 322 OPs supported by the ERDF and CF that were the focus of this study, the assembled database contains data for 261 OPs, accounting for 80% of the total investment made during this period. While the database is not 100% complete, it can be considered representative of operations funded by ERDF and CF in the 2007-2013 programming period. Where possible, information for missing OPs has been estimated to allow for more realistic analysis of the impact of thresholds.

Finally, because the data is taken from operations under the 2007-2013 programming period, but is intended to inform the discussion of the potential impact of the relevant thresholds in the 2014-2020 programming period, it is important to mention some changes from the former context to the latter that are relevant to this discussion.

For example, in some cases the nomenclature and definition criteria for the parameter "category of region" has been changed from the categories used in this study, i.e. "convergence," and "regional competitiveness and employment"<sup>24</sup>, to: "less developed regions"; "transition regions"; and "more developed regions" in the 2014-2020 period.

The overwhelming majority of regions that were classified as "convergence" in 2007-2013 are now "less developed", and most of the "regional competitiveness and employment" regions have become "more developed". As such, the findings of the study using the old categories of regions can, broadly, be applied to the corresponding region under the new classification. However, the 2014-2020 programming period "transition region" have formerly been either "convergence" or "regional competitiveness and employment regions", and thus no strong conclusions can be drawn about their expected impact.

The system of categorisation of operations into one of 86 "priority themes" has been replaced by the codes for the intervention field dimension (table 1)<sup>25</sup> which establishes 123 categories of intervention and by the codes for thematic objective dimension which mirrors the 11 Thematic Objectives established by the CPR. However, the 86 "priority themes" from the 2007-2013 period can be mapped against the 11 "Thematic Objectives". Because each priority theme can be mapped onto a single thematic objective, it is possible to group the operations in the current dataset using the 2014-2020 typology of operations. In order to facilitate this analysis, figures representing the cumulative number and value of operations according to thematic objectives have been included in Appendix H – Cumulative distribution for the Thematic Objectives.

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<sup>24</sup> The study does not differentiate between "phasing-in" and "phasing-out" regions.

<sup>25</sup> Established in Annex I to Regulation EU 215/2014.

The parameter “territorial dimension” has changed between programming periods<sup>26</sup>, thus any conclusions drawn with regards to this field cannot be directly applied to the 2014-2020 period.

With these differences in mind, the present database should be a powerful tool for analysing the distribution of operations around the six thresholds in question – and any other given threshold - by number of operations, by their cost and by their cumulative number and cumulative cost, and to understand the implications of any shifting of the thresholds.

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<sup>26</sup> See table 3 of Annex to Regulation EU 215/2014: Codes for the territorial dimension: 01 Large Urban areas (densely populated > 50000 population); 02 Small Urban areas (intermediate density > 5000 population); 03 Rural areas (thinly populated); 04 Macro regional cooperation area; 05 Cooperation across national or regional programme areas in national context; 06 ESF transnational cooperation; 07 Not applicable.

**5. APPENDIX A – RESULTS OF THE DATA COLLECTION**

**Table 47: OP data received by Member State and CCI code**

<b>AT</b>	2007AT161PO001	2007CB163PO031	2007CZ161PO002		
	2007AT162PO001			2007CB163PO032	2007CZ161PO005
	2007AT162PO002			2007CB163PO033	2007CZ161PO006
	2007AT162PO003			2007CB163PO035	2007CZ161PO007
	2007AT162PO004			2007CB163PO036	2007CZ161PO008
	2007AT162PO005			2007CB163PO037	2007CZ161PO010
	2007AT162PO006			2007CB163PO038	2007CZ161PO013
	2007AT162PO007			2007CB163PO039	<b>DE</b>
<b>BE</b>	2007CB163PO040	2007DE161PO002			
	2007CB163PO041	2007DE162PO002			
	2007CB163PO042	2007DE162PO003			
	2007CB163PO043	2007DE162PO007			
<b>BG</b>	2007CB163PO044	2007DE162PO009			
	2007CB163PO045	2007DE162PO011			
	2007CB163PO046	<b>DK</b>	2007DK162PO001		
	2007CB163PO047	<b>EE</b>	2007EE161PO001		
<b>CB</b>	2007CB163PO048	2007EE161PO002			
	2007CB163PO049	2007ES161PO001			
	2007CB163PO050	2007ES161PO002			
	2007CB163PO051	2007ES161PO003			
	2007CB163PO052	2007ES161PO004			
	2007CB163PO053	2007ES161PO005			
	2007CB163PO054	2007ES161PO006			
	2007CB163PO055	2007ES161PO007			
	2007CB163PO056	2007ES161PO008			
	2007CB163PO057	2007ES161PO009			
	2007CB163PO058	2007ES162PO001			
	2007CB163PO060	2007ES162PO002			
	2007CB163PO061	2007ES162PO003			
	2007CB163PO062	2007ES162PO004			
	2007CB163PO063	2007ES162PO005			
	2007CB163PO064	2007ES162PO006			
	2007CB163PO065	2007ES162PO007			
	2007CB163PO066	2007ES162PO008			
	2007CB163PO067	2007ES162PO009			
	2007CB163PO068	2007ES162PO010			
	2007CB163PO069	2007ES162PO011			
	2007CB163PO070	2007ES16UPO001			
	2008CB163PO001	2007ES16UPO002			
	2013CB163PO002	2007ES16UPO003			
	<b>CY</b>	2007CY16UPO001	<b>FI</b>		
	<b>CZ</b>	2007CZ161PO001		2007FI162PO001	
				2007FI162PO002	
			2007FI162PO003		

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	2007FI162PO004	<b>IE</b>	2007IE162PO001		2007PL161PO019		
	2007FI162PO005		2007IE162PO002		2007PT161PO001		
<b>FR</b>	2007FR161PO001	<b>IT</b>	2007IT161PO001	<b>PT</b>	2007PT161PO002		
	2007FR161PO003		2007IT161PO002		2007PT161PO003		
	2007FR161PO004		2007IT161PO003		2007PT161PO004		
	2007FR162PO001		2007IT161PO004		2007PT161PO005		
	2007FR162PO002		2007IT161PO006		2007PT161PO006		
	2007FR162PO003		2007IT161PO009		2007PT162PO002		
	2007FR162PO004		2007IT161PO012		2007PT16UPO002		
	2007FR162PO006		2007IT162PO003		<b>RO</b>	2007RO161PO001	
	2007FR162PO007		2007IT162PO004			2007RO161PO002	
	2007FR162PO008		2007IT162PO005			2007RO161PO003	
	2007FR162PO010		2007IT162PO006			2007RO161PO004	
	2007FR162PO011		2007IT162PO007			2007RO161PO005	
	2007FR162PO013		2007IT162PO008			<b>SE</b>	2007SE162PO001
	2007FR162PO015		2007IT162PO009				2007SE162PO002
	2007FR162PO020		2007IT162PO011				2007SE162PO003
	2007FR162PO021		2007IT162PO013		2007SE162PO004		
	2007FR162PO022		2007IT162PO014		2007SE162PO005		
	2007FR162PO023		2007IT162PO015		2007SE162PO006		
	2007FR162PO024	2007IT162PO016	2007SE162PO007				
	2007FR162PO025	2007IT162PO016	2007SE162PO008				
2007FR16UPO001	<b>LT</b>	2007LT161PO001	<b>SI</b>	2007SI161PO001			
	2007LT161PO002	2007SI161PO002					
<b>GR</b>	2007GR161PO001	<b>LU</b>	2007LU162PO001	<b>SK</b>	2007SK161PO001		
	2007GR161PO002	<b>LV</b>	2007LV161PO001		2007SK161PO002		
	2007GR161PO003		2007LV161PO002		2007SK161PO002		
	2007GR161PO004	<b>MT</b>	2007MT161PO001		2007SK161PO004		
	2007GR161PO005	<b>NL</b>	2007NL162PO001		2007SK161PO005		
	2007GR161PO006		2007NL162PO002		2007SK161PO007		
	2007GR161PO007		2007NL162PO003		<b>UK</b>	2007UK161PO001	
	2007GR161PO008		2007NL162PO004			2007UK161PO002	
	2007GR16UPO001	2007PL161PO001	2007UK161PO003				
	2007GR16UPO002	2007PL161PO002	2007UK162PO001				
<b>HR</b>	2007HR161PO002	2007PL161PO003	2007UK162PO002				
	2007HR161PO003	2007PL161PO004	2007UK162PO003				
<b>HU</b>	2007HU161PO001	2007PL161PO005	2007UK162PO004				
	2007HU161PO002	2007PL161PO007	2007UK162PO005				
	2007HU161PO003	2007PL161PO008	2007UK162PO006				
	2007HU161PO004	2007PL161PO009	2007UK162PO007				
	2007HU161PO005	2007PL161PO010	2007UK162PO008				
	2007HU161PO006	2007PL161PO012	2007UK162PO009				
	2007HU161PO008	2007PL161PO013	2007UK162PO010				
	2007HU161PO009	2007PL161PO014	2007UK162PO011				
	2007HU161PO011	2007PL161PO015	2007UK162PO012				
	2007HU162PO001	2007PL161PO018	2007UK162PO013				

**Table 48: OP data not received by Member State and CCI code**

<b>BG</b>	2007BG161PO002		2007FR162PO009		2007IT162PO010
	2007CB163PO003		2007FR162PO012		2007IT162PO012
2007CB163PO010	2007FR162PO014		2007IT162PO013		
<b>CB</b>	2007CB163PO024		2007FR162PO016	<b>PL</b>	2007PL161PO006
	2007CB163PO034		2007FR162PO017		2007PL161PO011
	2007CB163PO059		2007FR162PO018		2007PL161PO016
	<b>CZ</b>		2007CZ161PO004		2007FR162PO019
2007CZ161PO009			2007FR162PO026		2007PL161PO020
2007CZ161PO012			<b>HU</b>	2007PT162PO001	
2007CZ162PO001				2007HU161PO007	2007PT16UPO001
2007CZ16UPO001	2007HU16UPO001		<b>SK</b>	2007SK161PO003	
2007CZ16UPO002	2007IT161PO005			2007SK161PO006	
<b>DE</b>	2007DE161PO006	2007IT161PO007		2007SK162PO001	
	2007DE162PO010	2007IT161PO008		2007SK16UPO001	
<b>FR</b>	2007FR161PO002	2007IT161PO010			
	2007FR162PO005	2007IT162PO001			
		2007IT162PO002			

**Table 49: OP request for data denied by MAs, by Member State and CCI code**

<b>CB</b>	2007CB163PO017		2007DE161PO004		2007DE162PO005
	2007CB163PO018		2007DE161PO005		2007DE162PO006
	2013CB163PO001		2007DE161PO007		2007DE162PO008
<b>DE</b>	2007DE161PO001		2007DE162PO001	<b>IT</b>	2007IT161PO011
	2007DE161PO003		2007DE162PO004		

## 6. APPENDIX B – THE PARAMETERS OF THE DATABASE

Given the incompleteness of data for certain fields, particularly non-financial information, the total figures for different analyses in this study may not be comparable. For example, in the case of an operation for which the Priority Theme field is blank, neither the operation nor its total cost is considered in the analyses of the distribution of operations by Priority Theme.

The below table provides a summary of the totals in terms of number of operations and total cost for several combinations of data fields.

Please note that analysis that rely on estimated data will result in other totals.

**Table 50: Expected totals for figures in the database**

		Priority Theme	Territorial Dimension	Form of finance	Amounts to be recovered
Number of operations	Total Cost	342,695	304,983	342,695	27,836
	Eligible Expenditure	339,222	302,372	339,222	27,458
Value of operations in EUR millions	Total Cost	165,033	128,197	165,033	29,174
	Eligible Expenditure	119,789	89,986	119,789	22,589

## 7. APPENDIX C – THE EXCHANGE RATES USED IN THE ANALYSIS

For files submitted in currencies other than Euros, data was converted into Euros using an average of the official monthly exchange rates over the period January 2007 through December 2014 using data from the EC website<sup>27</sup>.

Currency	Equivalent in EUR
Czech Koruna (CZK)	0.0386013201589758
Pound Sterling (GBP)	1.22805826934287
Hungarian Forint (HUF)	0.0036077599642576
Polish Zloty (PLN)	0.248655328022875
Romanian Leu (RON)	0.244713668670758
Swedish Krona (SEK)	0.10787937822376

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<sup>27</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)



## 8. APPENDIX D – CHANGES IN THRESHOLDS

The present appendix provides information on hypothetical threshold changes. These distributions described in the study were obtained by aggregating the number of operations and the value of projects above or below a newly defined threshold in the same manner as the original distributions presented in section 3.2 were obtained. The changes in thresholds are described below.

**Table 51: Hypothetical changes in thresholds**

<b>Threshold No.</b>	<b>Parameter assessed</b>	<b>Level of the threshold</b>	<b>Threshold lowered/raised</b>
1	Total cost	EUR 1,000,000	EUR 800,000 and 1,200,000
2	Total cost	EUR 50,000	EUR 40,00 and 60,000
3	Total cost	EUR 50,000,000 or EUR 75,000,000 if TO7	EUR 40,000,000 and 60,000,000 or EUR 70,000,000 and 80,000,000 if TO7
4	Total eligible expenditure	EUR 1,000,000	EUR 800,000 and EUR 1,200,000
5	Total eligible expenditure	EUR 200,000	EUR 100,000 and 300,000
6	Amounts to be recovered	EUR 250	Treated in Table 38

**Table 52: Estimated distribution of operations around Threshold No.1 lowered to EUR 800,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total eligible cost of operations (EUR millions)	Percent of cost
CY	4	25%	3	3%	12	75%	89	97%
SK	1,922	45%	251	4%	2,372	55%	5,756	96%
SE	738	58%	221	15%	532	42%	1,289	85%
NL	351	62%	81	10%	214	38%	700	90%
UK	841	63%	172	6%	498	37%	2,496	94%
HR	65	63%	20	13%	38	37%	130	87%
BE	278	65%	92	9%	148	35%	935	91%
LU	46	69%	18	22%	21	31%	64	78%
MT	46	71%	13	14%	19	29%	81	86%
BG	845	72%	236	8%	332	28%	2,623	92%
CB	7,263	72%	1,631	18%	2,789	28%	7,218	82%
LT	3,502	79%	733	17%	943	21%	3,494	83%
PL	30,841	80%	5,795	14%	7,659	20%	34,698	86%
SI	8,208	81%	1,861	13%	1,964	19%	12,336	87%
FR	16,969	84%	3,376	26%	3,314	16%	9,835	74%
RO	3,219	84%	686	24%	613	16%	2,207	76%
DK	555	85%	49	20%	95	15%	196	80%
AT	3,751	86%	311	11%	633	14%	2,548	89%
PT	10,582	86%	1,956	22%	1,703	14%	7,126	78%
DE	16,577	87%	3,130	26%	2,471	13%	8,960	74%
CZ	24,242	87%	4,310	22%	3,570	13%	15,458	78%
LV	4,566	90%	503	22%	504	10%	1,837	78%
FI	4,918	90%	841	47%	524	10%	959	53%
IT	45,929	91%	5,116	19%	4,506	9%	21,445	81%
EE	7,632	94%	458	21%	522	6%	1,701	79%
HU	21,511	96%	1,913	14%	894	4%	11,659	86%
IE	8,459	99%	324	20%	126	1%	1,328	80%
ES	117,233	99%	2,186	31%	1,151	1%	4,856	69%
GR	11,405	99%	1,003	86%	109	1%	164	14%
<b>Total</b>	<b>352,497</b>	<b>90%</b>	<b>37,289</b>	<b>19%</b>	<b>38,276</b>	<b>10%</b>	<b>162,187</b>	<b>81%</b>

**Table 53: Estimated distribution of operations around Threshold No.1 increased to EUR 1,200,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total eligible cost of operations (EUR millions)	Percent of cost
CY	5	31%	4	4%	11	69%	88	96%
SK	2,284	53%	385	6%	2,010	47%	5,621	94%
UK	933	70%	263	10%	406	30%	2,405	90%
SE	885	70%	365	24%	385	30%	1,145	76%
BE	306	72%	120	12%	120	28%	907	88%
NL	412	73%	138	18%	153	27%	643	82%
MT	49	75%	16	17%	16	25%	78	83%
HR	78	76%	33	22%	25	24%	117	78%
BG	899	76%	289	10%	278	24%	2,570	90%
CB	8,101	81%	2,452	28%	1,950	19%	6,396	72%
LU	55	82%	27	33%	12	18%	55	67%
PL	32,855	85%	7,685	19%	5,645	15%	32,809	81%
LT	3,854	87%	1,077	25%	591	13%	3,150	75%
RO	3,339	87%	801	28%	493	13%	2,091	72%
SI	8,869	87%	2,510	18%	1,303	13%	11,688	82%
AT	3,855	88%	415	15%	529	12%	2,444	85%
DK	578	89%	71	29%	72	11%	174	71%
FR	18,085	89%	4,480	34%	2,197	11%	8,731	66%
PT	11,116	90%	2,466	27%	1,169	10%	6,616	73%
CZ	25,342	91%	5,392	27%	2,470	9%	14,375	73%
DE	17,425	91%	4,163	34%	1,623	9%	7,928	66%
LV	4,649	92%	583	25%	421	8%	1,756	75%
IT	47,217	94%	6,484	24%	3,217	6%	20,077	76%
FI	5,151	95%	1,071	59%	291	5%	729	41%
EE	7,799	96%	621	29%	355	4%	1,538	71%
HU	21,764	97%	2,175	16%	641	3%	11,397	84%
IE	8,490	99%	352	21%	95	1%	1,299	79%
GR	11,437	99%	1,035	89%	77	1%	132	11%
ES	117,597	99%	2,540	36%	787	1%	4,502	64%
<b>Total</b>	<b>363,429</b>	<b>93%</b>	<b>48,014</b>	<b>24%</b>	<b>27,343</b>	<b>7%</b>	<b>151,462</b>	<b>76%</b>

**Table 54: Estimated distribution of operations around Threshold No.2 lowered to EUR 40,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total eligible cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total eligible cost
CY	0	0%	0	0%	16	100%	92	100%
LU	0	0%	0	0%	67	100%	82	100%
HR	3	3%	0	0%	100	97%	149	100%
BE	14	3%	0	0%	412	97%	1,027	100%
RO	207	5%	6	0%	3,625	95%	2,886	100%
SK	287	7%	2	0%	4,007	93%	6,004	100%
BG	85	7%	1	0%	1,092	93%	2,858	100%
SE	105	8%	3	0%	1,165	92%	1,507	100%
CB	885	9%	13	0%	9,167	91%	8,836	100%
NL	56	10%	1	0%	509	90%	779	100%
MT	7	11%	0	0%	58	89%	94	100%
LT	552	12%	14	0%	3,893	88%	4,213	100%
CZ	3,936	14%	93	0%	23,876	86%	19,675	100%
GR	1,640	14%	49	4%	9,874	86%	1,118	96%
FR	3,015	15%	70	1%	17,268	85%	13,141	99%
UK	222	17%	5	0%	1,117	83%	2,662	100%
SI	1,734	17%	19	0%	8,438	83%	14,179	100%
PL	6,988	18%	88	0%	31,512	82%	40,405	100%
FI	1,202	22%	26	1%	4,240	78%	1,774	99%
PT	2,753	22%	67	1%	9,532	78%	9,015	99%
DE	5,951	31%	127	1%	13,097	69%	11,963	99%
HU	10,954	49%	121	1%	11,450	51%	13,451	99%
IT	25,406	50%	460	2%	25,028	50%	26,102	98%
LV	2,584	51%	22	1%	2,486	49%	2,317	99%
AT	2,340	53%	32	1%	2,044	47%	2,826	99%
DK	411	63%	1	1%	239	37%	244	99%
EE	5,773	71%	27	1%	2,381	29%	2,132	99%
IE	6,541	76%	71	4%	2,044	24%	1,581	96%
ES	106,718	90%	459	7%	11,666	10%	6,583	93%
<b>Total</b>	<b>190,369</b>	<b>49%</b>	<b>1,779</b>	<b>1%</b>	<b>200,403</b>	<b>51%</b>	<b>197,697</b>	<b>99%</b>

**Table 55: Estimated distribution of operations around Threshold No.2 increased to EUR 60,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
CY	0	0%	0	0%	16	100%	92	100%
LU	0	0%	0	0%	67	100%	82	100%
BE	23	5%	1	0%	403	95%	1,026	100%
HR	6	6%	0	0%	97	94%	149	100%
SK	339	8%	3	0%	3,955	92%	6,003	100%
BG	113	10%	3	0%	1,064	90%	2,857	100%
RO	376	10%	14	0%	3,456	90%	2,878	100%
SE	167	13%	6	0%	1,103	87%	1,504	100%
CB	1,351	13%	36	0%	8,701	87%	8,813	100%
NL	93	16%	3	0%	472	84%	777	100%
MT	13	20%	0	0%	52	80%	94	100%
SI	2,150	21%	39	0%	8,022	79%	14,158	100%
LT	967	22%	34	1%	3,478	78%	4,193	99%
UK	299	22%	9	0%	1,040	78%	2,658	100%
CZ	6,282	23%	210	1%	21,530	77%	19,558	99%
PL	8,910	23%	180	0%	29,590	77%	40,314	100%
FR	4,718	23%	157	1%	15,564	77%	13,054	99%
PT	3,530	29%	106	1%	8,755	71%	8,975	99%
GR	3,749	33%	154	13%	7,765	67%	1,013	87%
FI	1,810	33%	57	3%	3,632	67%	1,743	97%
DE	7,714	40%	237	2%	11,334	60%	11,854	98%
LV	2,739	54%	30	1%	2,331	46%	2,310	99%
HU	12,665	57%	210	2%	9,740	43%	13,361	98%
IT	28,825	57%	644	2%	21,610	43%	25,918	98%
AT	2,669	61%	48	2%	1,715	39%	2,810	98%
DK	416	64%	2	1%	234	36%	244	99%
EE	5,982	73%	38	2%	2,172	27%	2,122	98%
IE	7,043	82%	96	6%	1,542	18%	1,556	94%
ES	109,525	93%	598	8%	8,859	7%	6,445	92%
<b>Total</b>	<b>212,474</b>	<b>54%</b>	<b>2,915</b>	<b>1%</b>	<b>178,299</b>	<b>46%</b>	<b>196,561</b>	<b>99%</b>

**Table 56: Observed distribution of operations around Threshold No.3 by Member State lowered to EUR 40 million or EUR 70 million if TO7**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
BG	1,127	99%	1,094	39%	9	1%	1,736	61%
BE	423	99%	794	77%	3	1%	233	23%
SI	6,015	99%	5,763	50%	32	1%	5,847	50%
SK	966	99%	2,841	79%	5	1%	737	21%
UK	1,334	100%	2,154	81%	4	0%	511	19%
HU	17,125	100%	3,563	37%	49	0%	6,190	63%
PL	33,109	100%	28,127	77%	73	0%	8,485	23%
PT	8,239	100%	4,650	76%	13	0%	1,487	24%
CB	6,900	100%	7,168	90%	9	0%	771	10%
CZ	21,041	100%	12,581	85%	23	0%	2,261	15%
IT	41,611	100%	15,432	77%	31	0%	4,611	23%
IE	8,579	100%	741	45%	6	0%	911	55%
FR	18,001	100%	10,948	95%	10	0%	608	5%
EE	8,151	100%	1,938	90%	3	0%	221	10%
AT	4,383	100%	2,816	99%	1	0%	43	1%
LT	4,444	100%	4,185	99%	1	0%	41	1%
LV	5,069	100%	2,254	96%	1	0%	86	4%
DE	6,909	100%	3,236	99%	1	0%	48	1%
ES	118,376	100%	6,204	88%	8	0%	838	12%
CY	16	100%	92	100%	0	0%	0	0%
DK	650	100%	245	100%	0	0%	0	0%
FI	5,442	100%	1,800	100%	0	0%	0	0%
GR	11,514	100%	1,167	100%	0	0%	0	0%
HR	103	100%	150	100%	0	0%	0	0%
LU	67	100%	82	100%	0	0%	0	0%
MT	65	100%	94	100%	0	0%	0	0%
NL	559	100%	766	100%	0	0%	0	0%
RO	3,832	100%	2,892	100%	0	0%	0	0%
SE	1,270	100%	1,510	100%	0	0%	0	0%
<b>Total</b>	<b>335,320</b>	<b>100%</b>	<b>125,287</b>	<b>78%</b>	<b>282</b>	<b>0%</b>	<b>35,665</b>	<b>22%</b>

**Table 57: Observed distribution of TO7 and Non-TO7 operations around Threshold No.3 by Member State lowered to EUR 40 million or EUR 70 million if TO7**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
PL	1,226	31,883	4,028	24,098	16	57	4,227	4,257
CZ	947	20,094	2,997	9,584	8	15	1,483	778
SI	293	5,722	711	5,052	8	24	3,028	2,819
BG	77	1,050	241	853	6	3	1,586	150
HU	4	17,121	131	3,432	6	43	1,086	5,104
SK	18	948	200	2,641	4	1	668	68
IE	1	8,578	15	725	3	3	390	521
IT	121	41,490	485	14,947	3	28	2,092	2,519
EE	23	8,128	173	1,765	2	1	152	69
CB	351	6,549	740	6,428	1	8	265	507
ES	505	117,871	1,371	4,833	1	7	178	661
FR	322	17,679	839	10,108	1	9	149	459
AT	2	4,381	1	2,815	0	1	0	43
BE	13	410	48	746	0	3	0	233
CY	1	15	27	65	0	0	0	0
DE	216	6,693	231	3,005	0	1	0	48
DK	0	650	0	245	0	0	0	0
FI	72	5,370	81	1,719	0	0	0	0
GR	0	11,514	0	1,167	0	0	0	0
HR	49	54	103	46	0	0	0	0
LT	308	4,136	1,494	2,692	0	1	0	41
LU	0	67	0	82	0	0	0	0
LV	189	4,880	434	1,820	0	1	0	86
MT	3	62	23	71	0	0	0	0
NL	110	449	271	494	0	0	0	0
PT	232	8,007	238	4,412	0	13	0	1,487
RO	249	3,583	1,163	1,729	0	0	0	0
SE	140	1,130	234	1,276	0	0	0	0
UK	22	1,312	98	2,056	0	4	0	511
<b>Total</b>	<b>5,494</b>	<b>329,826</b>	<b>16,377</b>	<b>108,910</b>	<b>59</b>	<b>223</b>	<b>15,304</b>	<b>20,360</b>

**Table 58: Observed distribution of operations around Threshold No.3 by Member State increased to EUR 60 million or EUR 80 million if TO7**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
BE	423	99%	794	77%	3	1%	233	23%
BG	1,130	99%	1,244	44%	6	1%	1,586	56%
SK	966	99%	2,841	79%	5	1%	737	21%
SI	6,025	100%	6,210	53%	22	0%	5,400	47%
UK	1,334	100%	2,154	81%	4	0%	511	19%
HU	17,130	100%	3,822	39%	44	0%	5,931	61%
PL	33,138	100%	29,561	81%	44	0%	7,050	19%
PT	8,246	100%	4,987	81%	6	0%	1,151	19%
IE	8,580	100%	819	50%	5	0%	832	50%
CB	6,905	100%	7,405	93%	4	0%	534	7%
CZ	21,054	100%	13,194	89%	10	0%	1,648	11%
IT	41,630	100%	16,379	82%	12	0%	3,664	18%
LV	5,069	100%	2,254	96%	1	0%	86	4%
EE	8,153	100%	2,091	97%	1	0%	69	3%
FR	18,009	100%	11,344	98%	2	0%	211	2%
ES	118,380	100%	6,417	91%	4	0%	626	9%
AT	4,384	100%	2,858	100%	0	0%	0	0%
CY	16	100%	92	100%	0	0%	0	0%
DE	6,910	100%	3,284	100%	0	0%	0	0%
DK	650	100%	245	100%	0	0%	0	0%
FI	5,442	100%	1,800	100%	0	0%	0	0%
GR	11,514	100%	1,167	100%	0	0%	0	0%
HR	103	100%	150	100%	0	0%	0	0%
LT	4,445	100%	4,227	100%	0	0%	0	0%
LU	67	100%	82	100%	0	0%	0	0%
MT	65	100%	94	100%	0	0%	0	0%
NL	559	100%	766	100%	0	0%	0	0%
RO	3,832	100%	2,892	100%	0	0%	0	0%
SE	1,270	100%	1,510	100%	0	0%	0	0%
<b>Total</b>	<b>335,429</b>	<b>100%</b>	<b>130,684</b>	<b>81%</b>	<b>173</b>	<b>0%</b>	<b>30,268</b>	<b>19%</b>



**Table 59: Observed distribution of TO7 and non-TO7 operations around Threshold No.3 by Member State increased to EUR 60 million or EUR 80 million if TO7**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
PL	1,227	31,911	4,099	25,463	15	29	4,157	2,893
SI	293	5,732	711	5,499	8	14	3,028	2,372
CZ	948	20,106	3,071	10,123	7	3	1,409	239
BG	77	1,053	241	1,003	6	0	1,586	0
HU	4	17,126	131	3,691	6	38	1,086	4,845
SK	18	948	200	2,641	4	1	668	68
IE	2	8,578	94	725	2	3	311	521
IT	122	41,508	558	15,821	2	10	2,019	1,645
CB	351	6,554	740	6,665	1	3	265	270
ES	505	117,875	1,371	5,046	1	3	178	448
FR	322	17,687	839	10,505	1	1	149	62
AT	2	4,382	1	2,858	0	0	0	0
BE	13	410	48	746	0	3	0	233
CY	1	15	27	65	0	0	0	0
DE	216	6,694	231	3,053	0	0	0	0
DK	0	650	0	245	0	0	0	0
EE	25	8,128	326	1,765	0	1	0	69
FI	72	5,370	81	1,719	0	0	0	0
GR	0	11,514	0	1,167	0	0	0	0
HR	49	54	103	46	0	0	0	0
LT	308	4,137	1,494	2,733	0	0	0	0
LU	0	67	0	82	0	0	0	0
LV	189	4,880	434	1,820	0	1	0	86
MT	3	62	23	71	0	0	0	0
NL	110	449	271	494	0	0	0	0
PT	232	8,014	238	4,749	0	6	0	1,151
RO	249	3,583	1,163	1,729	0	0	0	0
SE	140	1,130	234	1,276	0	0	0	0
UK	22	1,312	98	2,056	0	4	0	511
<b>Total</b>	<b>5,500</b>	<b>329,929</b>	<b>16,825</b>	<b>113,858</b>	<b>53</b>	<b>120</b>	<b>14,856</b>	<b>15,412</b>

**Table 60: Estimated distribution of operations around Threshold No. 4 lowered to EUR 800,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	4	25%	3	3%	12	75%	89	97%
SK	1,997	47%	278	5%	2,297	53%	5,728	95%
HR	72	62%	18	12%	45	38%	131	88%
UK	924	69%	277	10%	416	31%	2,391	90%
SE	749	71%	354	27%	299	29%	978	73%
BG	851	72%	247	9%	326	28%	2,612	91%
MT	48	74%	15	16%	17	26%	79	84%
BE	234	78%	79	28%	66	22%	202	72%
NL	350	78%	123	27%	96	22%	335	73%
CB	7,959	79%	2,753	31%	2,138	21%	6,086	69%
LT	3,580	81%	809	19%	865	19%	3,418	81%
PL	31,893	83%	6,995	17%	6,604	17%	33,498	83%
AT	3,749	86%	309	11%	635	14%	2,549	89%
FR	17,006	87%	4,716	37%	2,592	13%	8,082	63%
SI	8,864	87%	2,938	21%	1,308	13%	11,259	79%
PT	10,735	87%	2,176	24%	1,547	13%	6,906	76%
CZ	24,985	90%	5,915	30%	2,822	10%	13,847	70%
LV	4,573	90%	521	22%	497	10%	1,818	78%
FI	4,918	90%	841	47%	524	10%	959	53%
LU	61	91%	38	47%	6	9%	44	53%
DE	17,652	93%	5,983	49%	1,396	7%	6,108	51%
DK	613	94%	132	54%	37	6%	113	46%
EE	7,683	95%	545	26%	433	5%	1,578	74%
RO	3,664	96%	1,619	56%	168	4%	1,274	44%
IT	45,836	96%	9,526	39%	1,837	4%	15,132	61%
HU	21,564	96%	1,968	14%	847	4%	11,604	86%
IE	8,476	99%	362	22%	106	1%	1,289	78%
ES	117,048	99%	2,066	29%	1,336	1%	4,976	71%
GR	11,469	100%	1,082	93%	45	0%	85	7%
<b>Total</b>	<b>357,558</b>	<b>92%</b>	<b>52,689</b>	<b>27%</b>	<b>29,315</b>	<b>8%</b>	<b>143,172</b>	<b>73%</b>

**Table 61: Estimated distribution of operations around Threshold No. 4 increased to EUR 1,200,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	5	31%	4	4%	11	69%	88	96%
SK	2,381	55%	443	7%	1,913	45%	5,563	93%
HR	84	72%	29	20%	33	28%	120	80%
MT	49	75%	16	17%	16	25%	78	83%
UK	1,020	76%	433	16%	320	24%	2,234	84%
BG	903	77%	297	10%	274	23%	2,562	90%
SE	858	82%	533	40%	190	18%	799	60%
BE	253	84%	98	35%	47	16%	183	65%
CB	8,644	86%	3,631	41%	1,452	14%	5,209	59%
NL	385	86%	157	34%	61	14%	301	66%
PL	33,678	87%	9,082	22%	4,820	13%	31,411	78%
LT	3,892	88%	1,134	27%	553	12%	3,093	73%
AT	3,849	88%	408	14%	535	12%	2,450	86%
SI	9,292	91%	3,566	25%	880	9%	10,632	75%
PT	11,234	91%	2,720	30%	1,048	9%	6,362	70%
FR	17,940	92%	5,787	45%	1,657	8%	7,011	55%
LV	4,657	92%	605	26%	413	8%	1,735	74%
CZ	25,909	93%	7,717	39%	1,897	7%	12,045	61%
FI	5,151	95%	1,071	59%	291	5%	729	41%
DE	18,173	95%	7,024	58%	875	5%	5,067	42%
LU	64	96%	50	60%	3	4%	33	40%
EE	7,820	96%	705	33%	296	4%	1,418	67%
HU	21,791	97%	2,215	16%	620	3%	11,357	84%
RO	3,735	97%	1,943	67%	97	3%	949	33%
IT	46,510	98%	11,061	45%	1,162	2%	13,597	55%
DK	637	98%	182	74%	13	2%	63	26%
IE	8,504	99%	391	24%	78	1%	1,261	76%
ES	117,484	99%	2,432	35%	900	1%	4,610	65%
GR	11,512	100%	1,163	100%	2	0%	5	0%
<b>Total</b>	<b>366,414</b>	<b>95%</b>	<b>64,895</b>	<b>33%</b>	<b>20,459</b>	<b>5%</b>	<b>130,965</b>	<b>67%</b>

**Table 62: Estimated distribution of operations around Threshold No.5 lowered to EUR 100,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	0	0%	0	0%	16	100%	92	100%
BE	29	10%	2	1%	271	90%	279	99%
SK	419	10%	6	0%	3,875	90%	6,000	100%
BG	176	15%	10	0%	1,001	85%	2,850	100%
HR	18	15%	1	1%	99	85%	148	99%
SE	236	23%	14	1%	812	77%	1,317	99%
LU	19	28%	4	5%	48	72%	78	95%
CB	3,049	30%	393	4%	7,048	70%	8,447	96%
LT	1,676	38%	102	2%	2,769	62%	4,125	98%
PL	14,973	39%	822	2%	23,524	61%	39,671	98%
MT	26	40%	4	5%	39	60%	90	95%
SI	4,173	41%	575	4%	5,999	59%	13,623	96%
PT	5,087	41%	300	3%	7,195	59%	8,781	97%
UK	577	43%	55	2%	763	57%	2,613	98%
FR	8,713	44%	1,600	13%	10,885	56%	11,198	87%
NL	202	45%	45	10%	244	55%	413	90%
CZ	12,732	46%	894	5%	15,075	54%	18,868	95%
FI	2,519	46%	112	6%	2,923	54%	1,687	94%
LV	3,072	61%	74	3%	1,998	39%	2,265	97%
DE	11,696	61%	2,200	18%	7,352	39%	9,891	82%
HU	15,175	68%	433	3%	7,236	32%	13,139	97%
AT	3,004	69%	75	3%	1,380	31%	2,783	97%
DK	471	72%	11	5%	179	28%	234	95%
RO	2,982	78%	562	19%	850	22%	2,330	81%
IT	37,482	79%	3,336	14%	10,191	21%	21,322	86%
EE	6,607	81%	109	5%	1,509	19%	2,014	95%
IE	7,895	92%	197	12%	687	8%	1,454	88%
ES	111,388	94%	742	11%	6,996	6%	6,301	89%
GR	11,248	98%	942	81%	266	2%	225	19%
<b>Total</b>	<b>265,643</b>	<b>69%</b>	<b>13,622</b>	<b>7%</b>	<b>121,230</b>	<b>31%</b>	<b>182,239</b>	<b>93%</b>

**Table 63: Estimated distribution of operations around Threshold No.5 increased to EUR 300,000 by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost	Number of operations	Percent of operations	Total cost of operations (EUR millions)	Percent of cost
CY	0	0%	0	0%	16	100%	92	100%
SK	860	20%	43	1%	3,434	80%	5,963	99%
HR	41	35%	5	3%	76	65%	145	97%
BG	469	40%	70	2%	708	60%	2,789	98%
BE	122	41%	20	7%	178	59%	261	93%
SE	431	41%	76	6%	617	59%	1,256	94%
MT	32	49%	6	6%	33	51%	88	94%
UK	745	56%	125	5%	595	44%	2,543	95%
NL	266	60%	64	14%	180	40%	394	86%
LT	2,689	60%	319	8%	1,756	40%	3,908	92%
CB	6,134	61%	1,261	14%	3,962	39%	7,578	86%
PL	25,527	66%	3,211	8%	12,971	34%	37,282	92%
PT	8,501	69%	981	11%	3,781	31%	8,100	89%
FR	13,725	70%	2,699	21%	5,872	30%	10,099	79%
SI	7,197	71%	1,585	11%	2,975	29%	12,612	89%
FI	3,971	73%	380	21%	1,471	27%	1,420	79%
LU	50	75%	22	27%	17	25%	60	73%
CZ	21,373	77%	3,030	15%	6,434	23%	16,732	85%
AT	3,427	78%	150	5%	957	22%	2,708	95%
LV	3,975	78%	240	10%	1,095	22%	2,099	90%
DE	15,560	82%	3,950	33%	3,488	18%	8,141	67%
DK	543	84%	42	17%	107	16%	203	83%
RO	3,384	88%	909	31%	448	12%	1,983	69%
EE	7,207	89%	259	12%	909	11%	1,863	88%
IT	42,851	90%	5,959	24%	4,822	10%	18,699	76%
HU	20,431	91%	1,384	10%	1,980	9%	12,188	90%
IE	8,341	97%	295	18%	241	3%	1,357	82%
ES	115,156	97%	1,290	18%	3,228	3%	5,752	82%
GR	11,363	99%	978	84%	151	1%	189	16%
<b>Total</b>	<b>324,370</b>	<b>84%</b>	<b>29,356</b>	<b>15%</b>	<b>62,503</b>	<b>16%</b>	<b>166,505</b>	<b>85%</b>

**9. APPENDIX E – THRESHOLD ANALYSIS FOR THRESHOLD No.3 – EUR 50,000,000 TOTAL ELIGIBLE EXPENDITURE (EUR 75,000,000 FOR THEMATIC OBJECTIVE 7)**

**Table 64: Observed operations above and below Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7)**

	Number of operations	Percent of total operations	Total cost of operations (EUR millions)	Percent of total cost
Above threshold	144	0%	26,083	17%
Below threshold	332,124	100%	131,768	83%
<b>Total</b>	<b>332,268</b>	<b>100%</b>	<b>157,851</b>	<b>100%</b>

**Table 65: Observed TO7 and non-TO7 operations above and below Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7)**

	Number of TO7 operations	Number of non-TO7 operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Above threshold	40	104	12,338	13,745
Below threshold	5,472	326,652	19,201	112,567
<b>Total</b>	<b>5,512</b>	<b>326,756</b>	<b>31,539</b>	<b>126,312</b>

**Table 66: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Member State**

	Below the threshold				Above the threshold			
	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost	Number of operations	Percent of operations	Total cost (EUR millions)	Percent of total cost
HR	115	98%	150	100%	2	2%	0	0%
BG	1,127	99%	1,113	39%	9	1%	1,716	61%
SK	966	99%	2,841	79%	5	1%	737	21%
HU	17,134	100%	3,762	39%	45	0%	5,990	61%
SI	6,034	100%	7,233	62%	13	0%	4,377	38%
UK	1,337	100%	2,305	87%	2	0%	359	13%
PL	33,147	100%	30,460	83%	33	0%	6,151	17%
PT	8,244	100%	5,015	82%	6	0%	1,122	18%
IE	8,578	100%	935	57%	4	0%	716	43%
IT	39,350	100%	15,073	81%	11	0%	3,527	19%
EE	8,114	100%	1,974	93%	2	0%	149	7%
LV	5,069	100%	2,254	96%	1	0%	86	4%
FR	17,410	100%	10,987	98%	2	0%	208	2%
CZ	21,058	100%	14,682	99%	2	0%	156	1%
ES	118,377	100%	6,254	89%	7	0%	788	11%
AT	4,384	100%	2,858	100%	0	0%	0	0%
BE	300	100%	281	100%	0	0%	0	0%
CB	6,951	100%	7,930	100%	0	0%	0	0%
CY	16	100%	92	100%	0	0%	0	0%
DE	6,910	100%	3,284	100%	0	0%	0	0%
DK	650	100%	245	100%	0	0%	0	0%
FI	5,442	100%	1,800	100%	0	0%	0	0%
GR	11,514	100%	1,167	100%	0	0%	0	0%
LT	4,445	100%	4,227	100%	0	0%	0	0%
LU	67	100%	82	100%	0	0%	0	0%
MT	65	100%	94	100%	0	0%	0	0%
NL	440	100%	443	100%	0	0%	0	0%
RO	3,832	100%	2,892	100%	0	0%	0	0%
SE	1,048	100%	1,332	100%	0	0%	0	0%
<b>Total</b>	<b>332,124</b>	<b>100%</b>	<b>131,768</b>	<b>83%</b>	<b>144</b>	<b>0%</b>	<b>26,083</b>	<b>17%</b>

**Table 67: Observed distribution of TO7 and Non-TO7 operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Member State**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
AT	1,229	31,918	4,286	26,175	13	20	3,970	2,181
BG	4	17,130	131	3,632	6	39	1,086	4,904
BE	77	1,050	241	872	6	3	1,586	131
CB	18	948	200	2,641	4	1	668	68
CY	298	5,736	1,331	5,902	3	10	2,407	1,969
CZ	61	54	103	46	2	0	0	0
DE	122	39,228	558	14,515	2	9	2,019	1,508
EE	505	117,872	1,371	4,883	1	6	178	611
ES	308	17,102	806	10,181	1	1	149	59
DK	24	8,090	246	1,728	1	1	80	69
FI	3	8,575	210	725	1	3	195	521
PL	189	4,880	434	1,820	0	1	0	86
HU	1	15	27	65	0	0	0	0
SK	121	927	193	1,138	0	0	0	0
SI	249	3,583	1,163	1,729	0	0	0	0
HR	356	6,595	1,004	6,926	0	0	0	0
IT	216	6,694	231	3,053	0	0	0	0
FR	2	4,382	1	2,858	0	0	0	0
IE	951	20,107	4,476	10,206	0	2	0	156
GR	4	296	31	250	0	0	0	0
LT	0	650	0	245	0	0	0	0
LU	72	5,370	81	1,719	0	0	0	0
LV	0	11,514	0	1,167	0	0	0	0
MT	308	4,137	1,494	2,733	0	0	0	0
NL	0	67	0	82	0	0	0	0
PT	3	62	23	71	0	0	0	0
RO	97	343	225	218	0	0	0	0
SE	232	8,012	238	4,777	0	6	0	1,122
UK	22	1,315	98	2,208	0	2	0	359
<b>Total</b>	<b>5,472</b>	<b>326,652</b>	<b>19,201</b>	<b>112,567</b>	<b>40</b>	<b>104</b>	<b>12,338</b>	<b>13,745</b>



**Table 68: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Priority Theme category**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Transport	5,472	0	19,201	0	40	0	12,338	0
Research, development, and innovation	0	187,482		50,374	0	47		6,116
Environmental protection and risk prevention	0	23,155		19,112	0	20		3,241
Social infrastructure	0	16,515		8,893	0	9		981
Urban and rural regeneration	0	5,890		4,560	0	8		874
Tourism	0	6,202		4,598	0	8		1,082
Access to employment and sustainability	0	468		466	0	4		390
Culture	0	4,327		3,211	0	2		204
Information society	0	40,992		6,134	0	2		446
Adaptability of workers and firms	0	308		585	0	1		193
Human capital	0	3,436		1,174	0	1		62
Social inclusion	0	306		213	0	0		0
Institutional capacity	0	778		377	0	0		0
Reforms in employment and inclusion	0	386		157	0	0		0
Technical assistance	0	8,998		3,484	0	0		0
Energy	0	0	0	0	0	0	0	0
Development of outermost regions	0	3,402		795	0	0		0
<b>Total</b>	<b>5,472</b>	<b>302,645</b>	<b>19,201</b>	<b>104,133</b>	<b>40</b>	<b>102</b>	<b>12,338</b>	<b>13,588</b>

**Table 69: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7) by Category of Region**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Convergence	4,310	200,958	16,587	80,256	38	87	11,918	11,517
Regional Competitiveness and Employment	806	119,099	1,609	25,385	2	17	420	2,227
Cross-border	356	6,595	1,004	6,926	0	0	0	0
<b>Total</b>	<b>5,472</b>	<b>326,652</b>	<b>19,201</b>	<b>112,567</b>	<b>40</b>	<b>104</b>	<b>12,338</b>	<b>13,745</b>

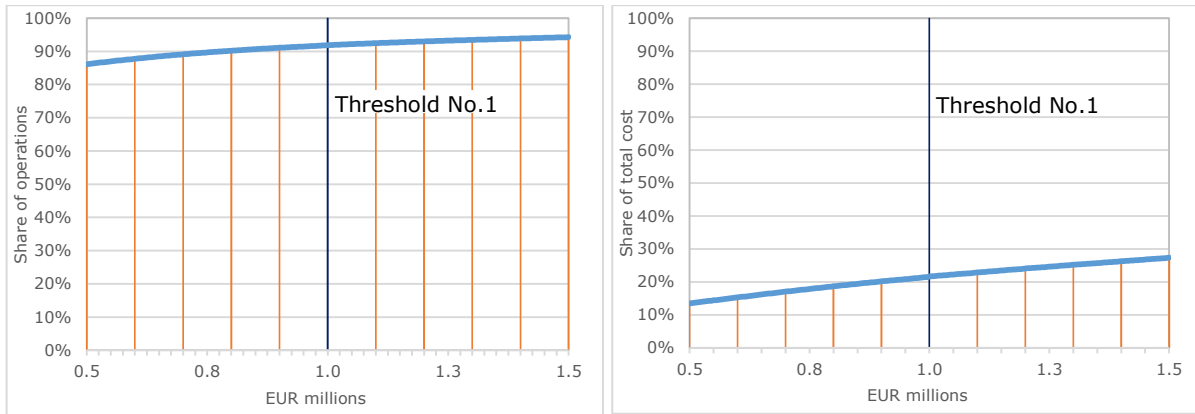
**Table 70: Observed distribution of operations around Threshold No.3 (EUR 50,000,000 total cost; EUR 75,000,000 for Thematic Objective 7 by Territorial Dimension)**

	Below the threshold				Above the threshold			
	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)	TO7 number of operations	Non-TO7 number of operations	Total cost of TO7 operations (EUR millions)	Total cost of Non-TO7 operations (EUR millions)
Not applicable	506	36,988	3,695	23,883	20	29	5,036	3,394
Urban	1,982	201,406	7,143	53,369	14	62	4,372	7,974
Rural areas	2,002	50,275	5,998	19,804	3	10	2,407	1,794
Outermost region	156	4,488	431	2,537	1	1	149	300
Sparsely populated areas	180	5,475	294	1,693	1	0	178	0
Transnational cooperation area	51	544	138	1,080	0	0	0	0
Cross-border cooperation area	290	5,154	779	5,057	0	0	0	0
Former EU external borders	0	3,880	0	2,437	0	0	0	0
Inter-regional cooperation area	1	211	4	54	0	0	0	0
Mountains	16	7,104	17	1,452	0	1	0	59
Islands	175	7,225	125	458	0	0	0	0
<b>Total</b>	<b>5,359</b>	<b>322,750</b>	<b>18,624</b>	<b>111,824</b>	<b>39</b>	<b>103</b>	<b>12,143</b>	<b>13,522</b>

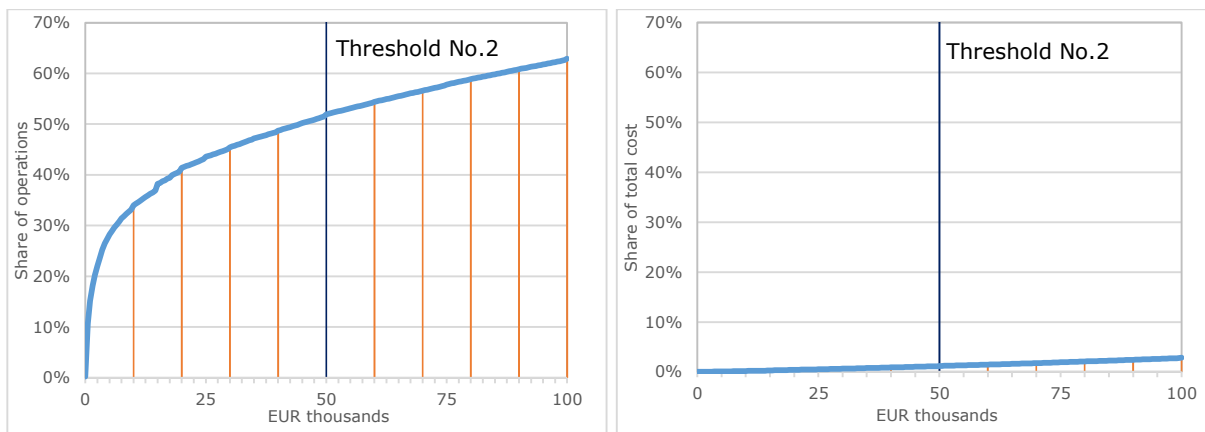
**10. APPENDIX F – CUMULATIVE DISTRIBUTION FOR THE SIX THRESHOLDS**

**Figure 67: Observed cumulative share of operations and total cost for the six thresholds**

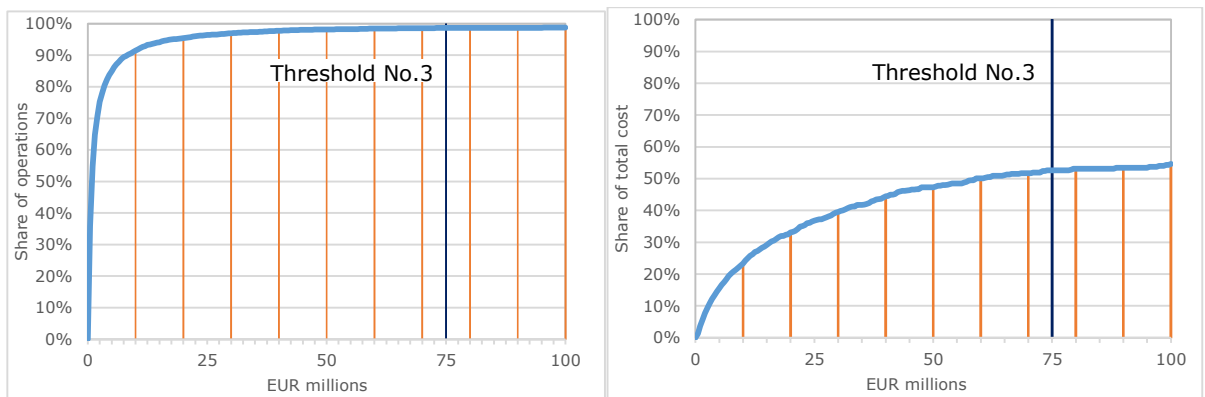
**Cumulative share of operations and total cost for Threshold No.1 – EUR 1,000,000 Total Cost**



**Cumulative share of operations and total cost for Threshold No.2 – EUR 50,000 Total Cost**

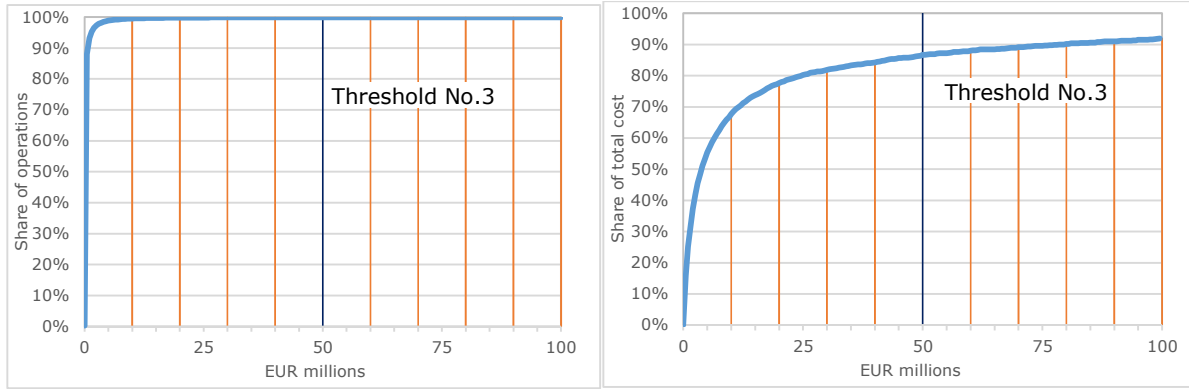


**Cumulative share of operations and total cost for Threshold No.3 – EUR 50,000,000 Total Cost for TO7 operations**

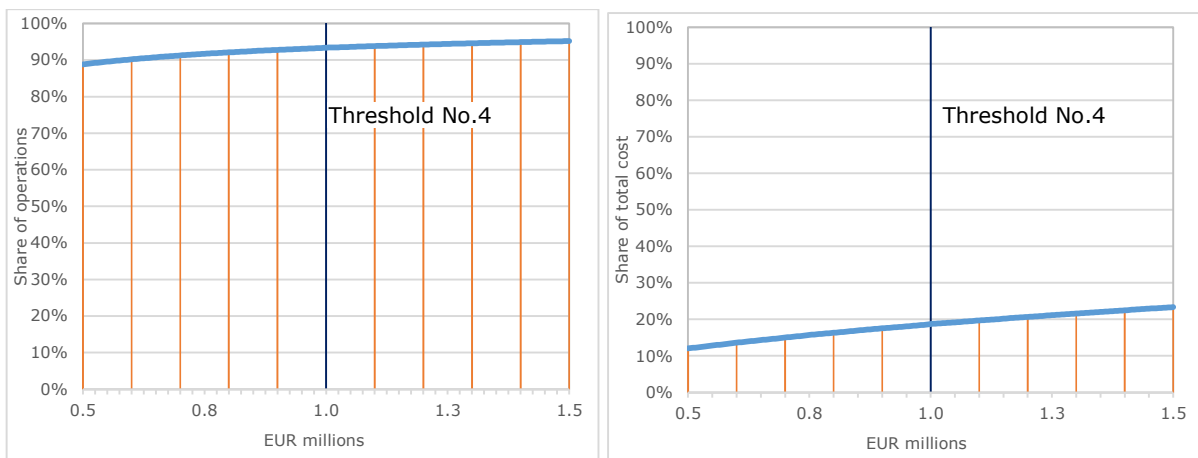


**Cumulative share of operations and total cost for Threshold No.3 – EUR 75,000,000 Total Cost for Non-TO7 operations**

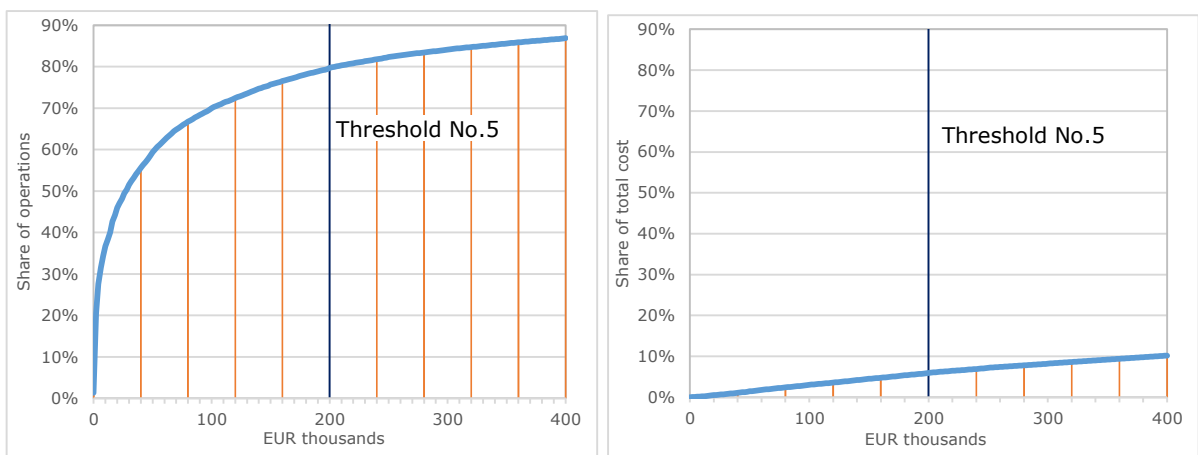
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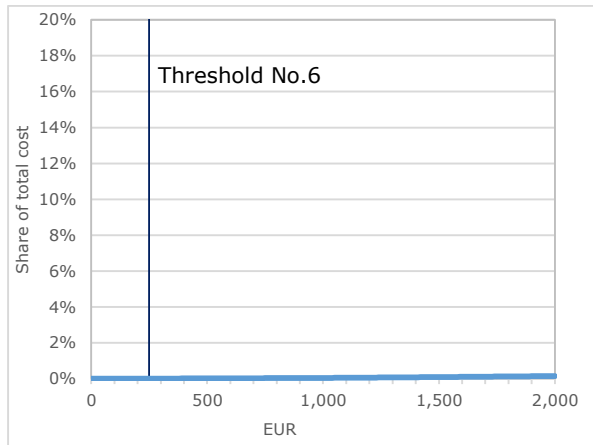
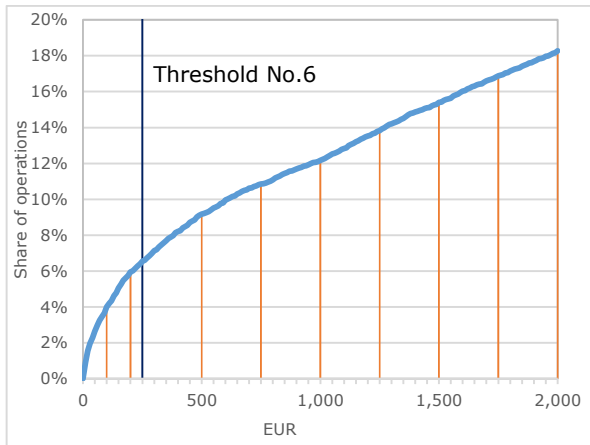
**Cumulative share of operations and total cost for Threshold No.4 – EUR 1,000,000 Total Eligible Expenditure**



**Cumulative share of operations and total cost for Threshold No.5 – EUR 200,000 Total Eligible Expenditure**



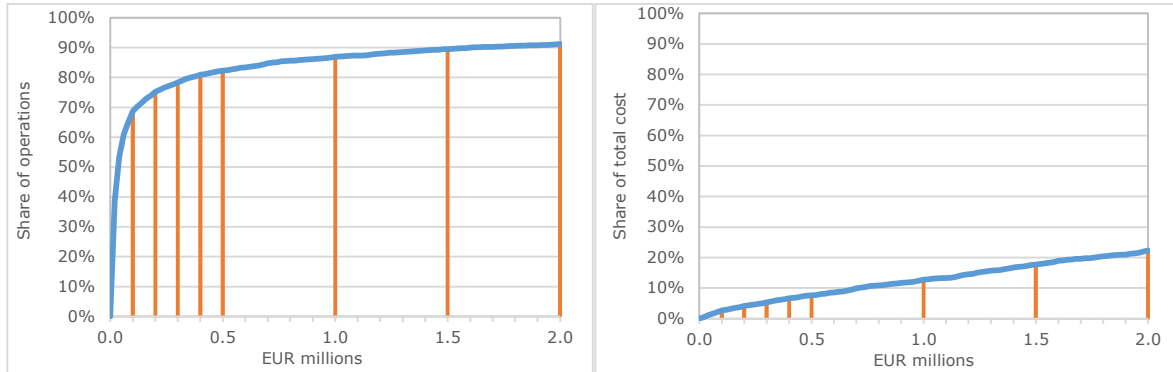
**Cumulative share of operations and total cost for Threshold No.6 – EUR 250 Amounts to be recovered**



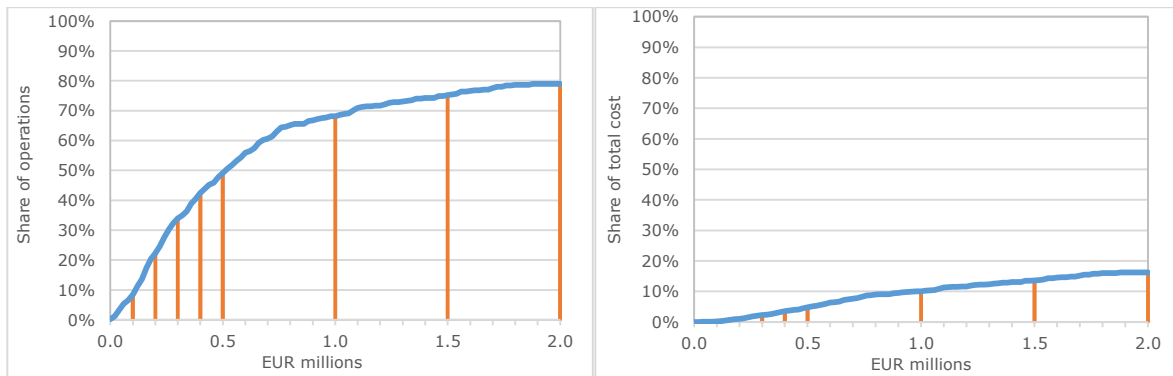
**11. APPENDIX G – CUMULATIVE DISTRIBUTION BY MEMBER STATE**

**Figure 68: Estimated cumulative share of operations and total cost by Member State**

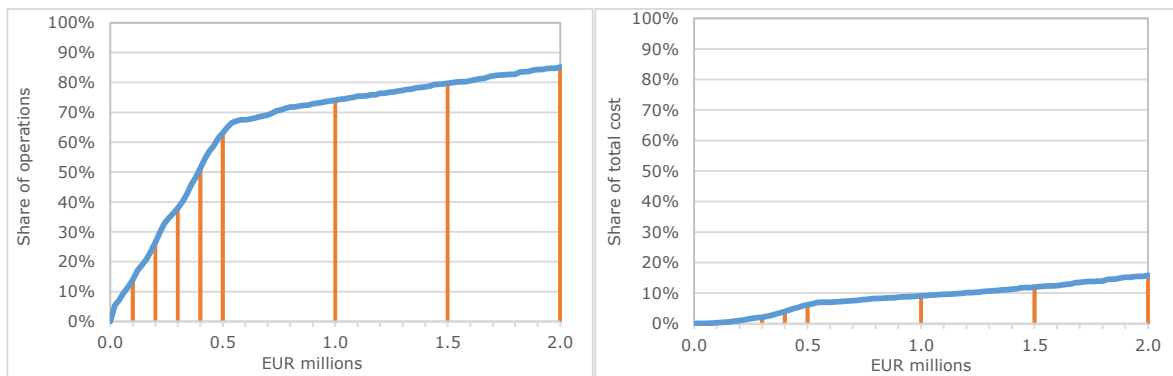
***Cumulative share of operations and total cost for Austria***



***Cumulative share of operations and total cost for Belgium***

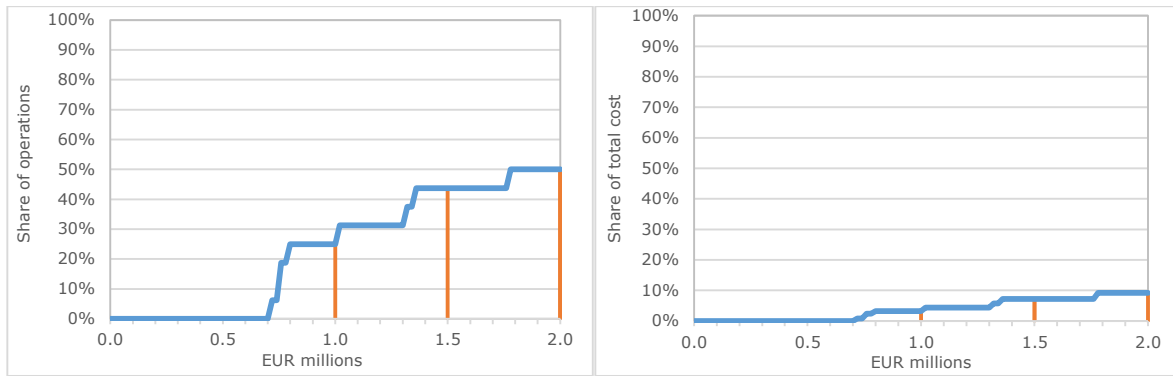


***Cumulative share of operations and total cost for Bulgaria***

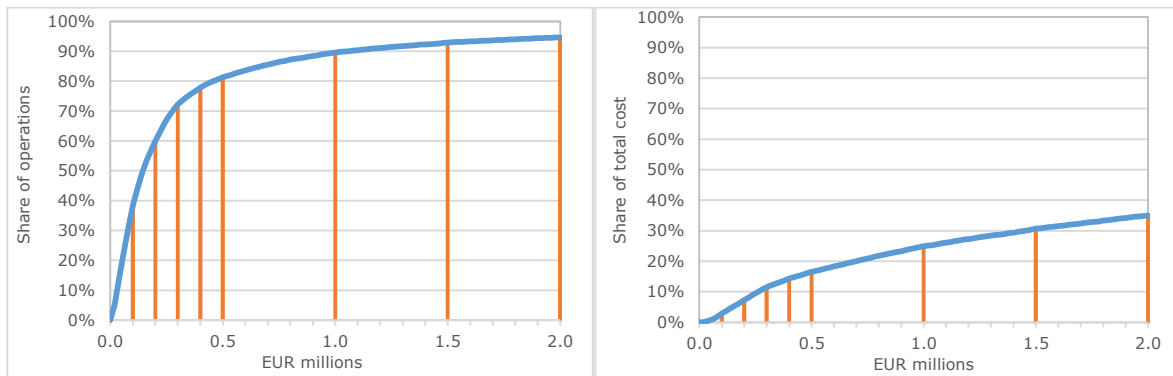


***Cumulative share of operations and total cost for Cyprus***

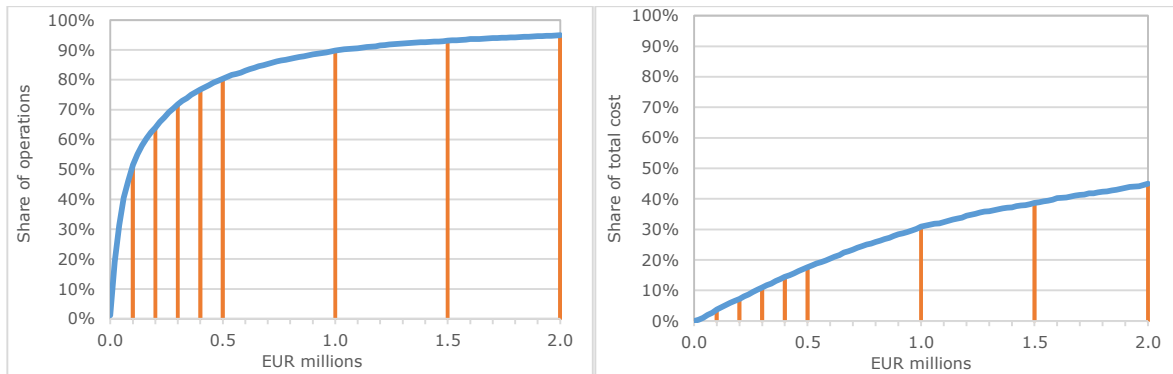
Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)



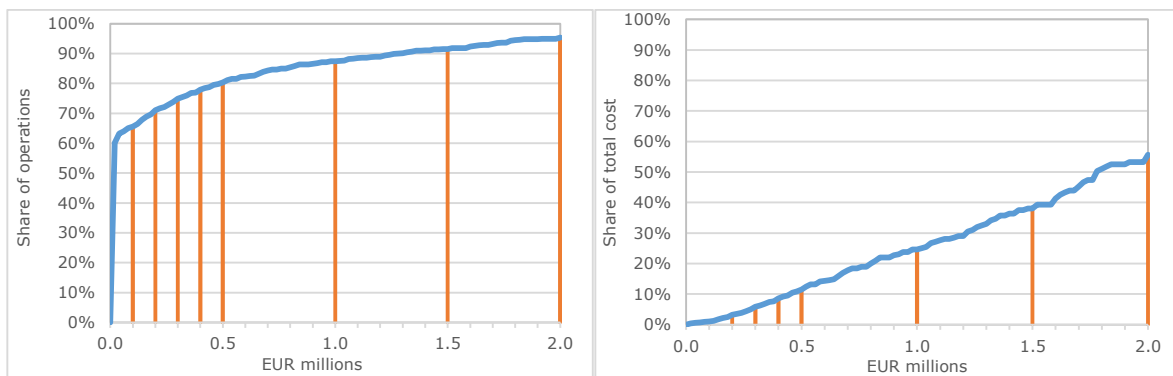
**Cumulative share of operations and total cost for Czech Republic**



**Cumulative share of operations and total cost for Germany**



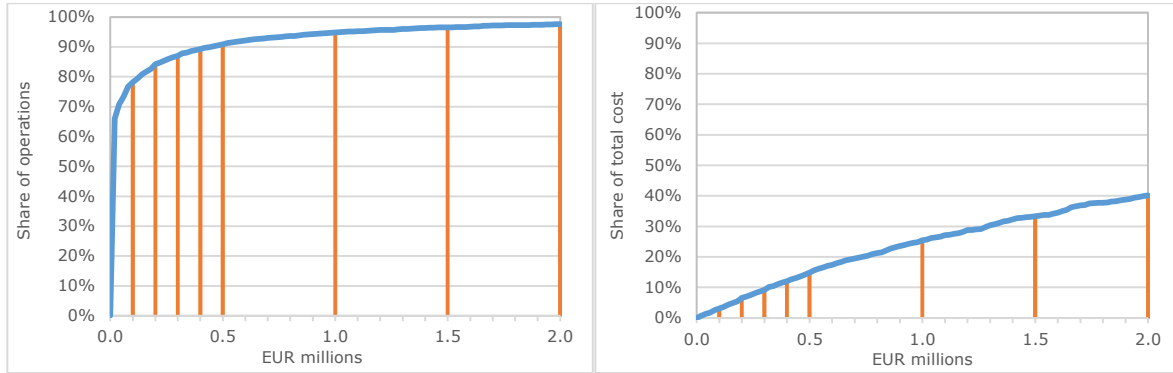
**Cumulative share of operations and total cost for Denmark**



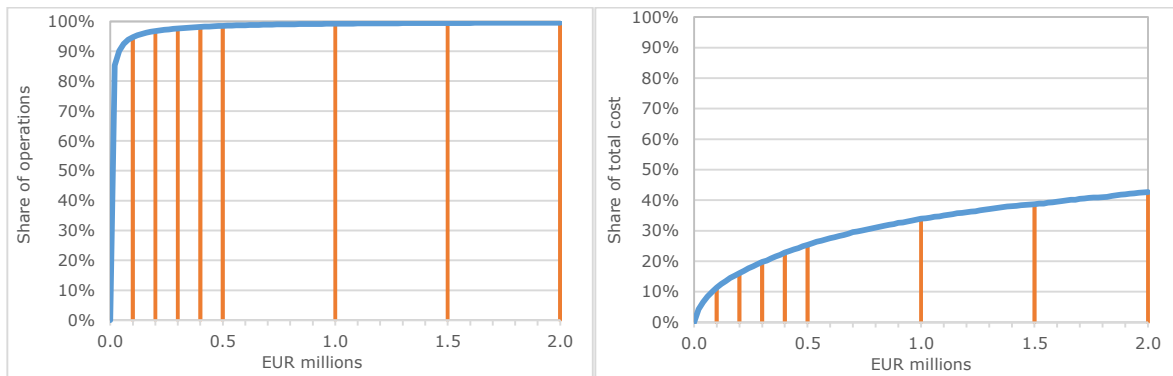
**Cumulative share of operations and total cost for Estonia**



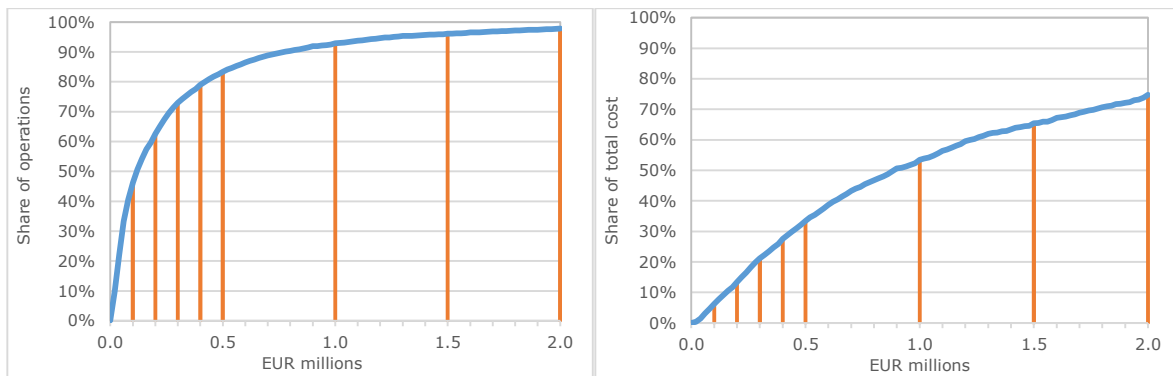
Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)



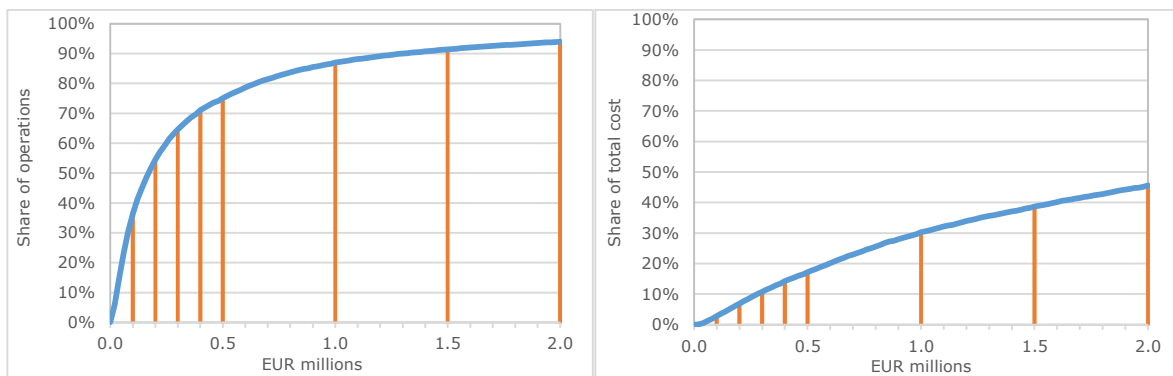
**Cumulative share of operations and total cost for Spain**



**Cumulative share of operations and total cost for Finland**

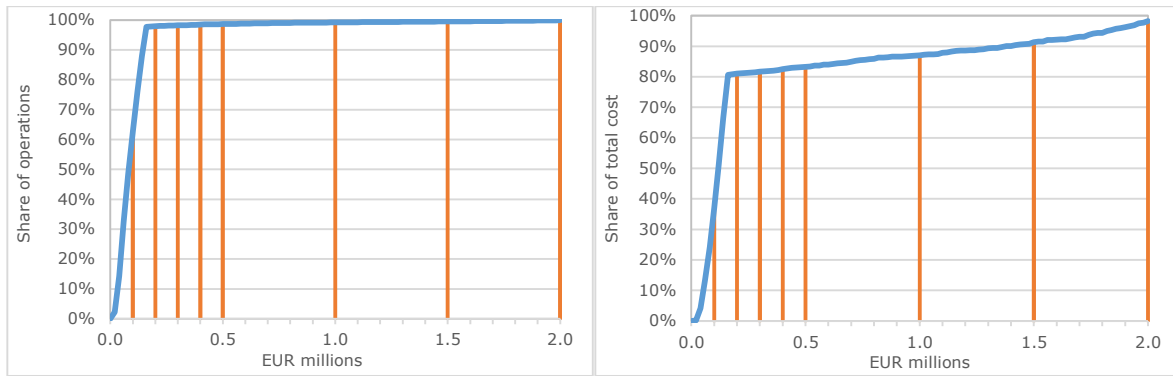


**Cumulative share of operations and total cost for France**

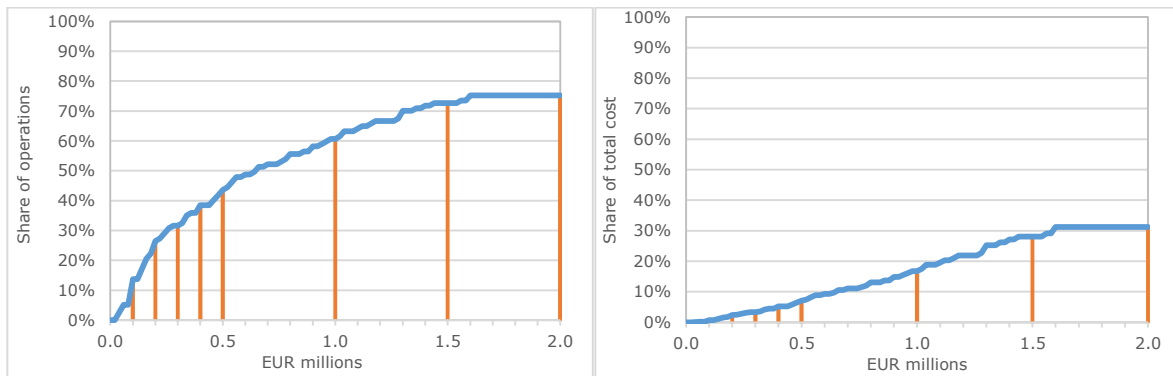


**Cumulative share of operations and total cost for Greece**

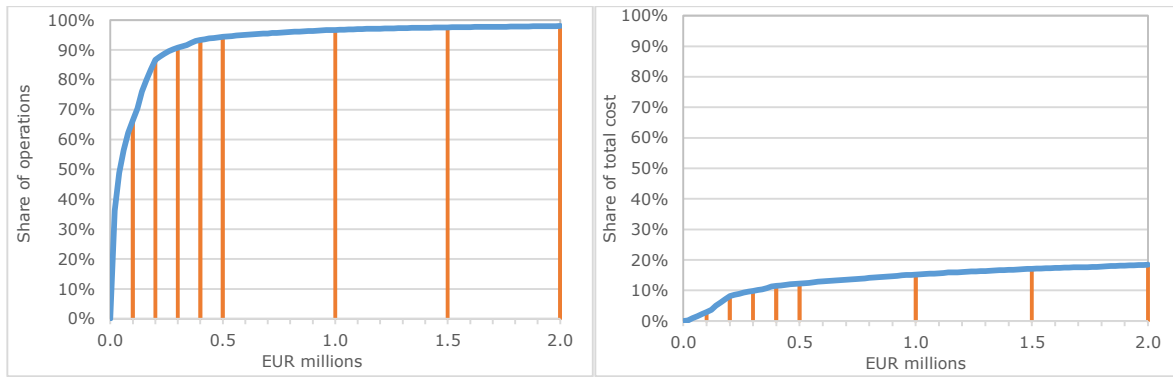
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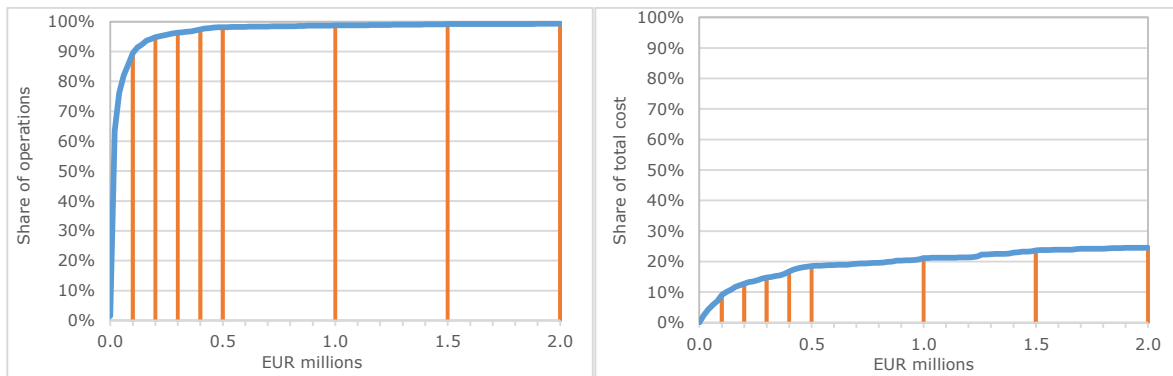
**Cumulative share of operations and total cost for Croatia**



**Cumulative share of operations and total cost for Hungary**

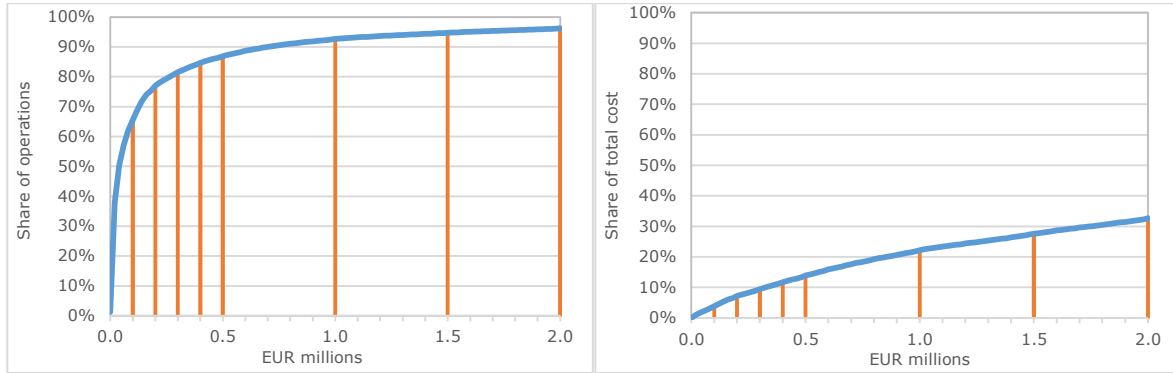


**Cumulative share of operations and total cost for Ireland**

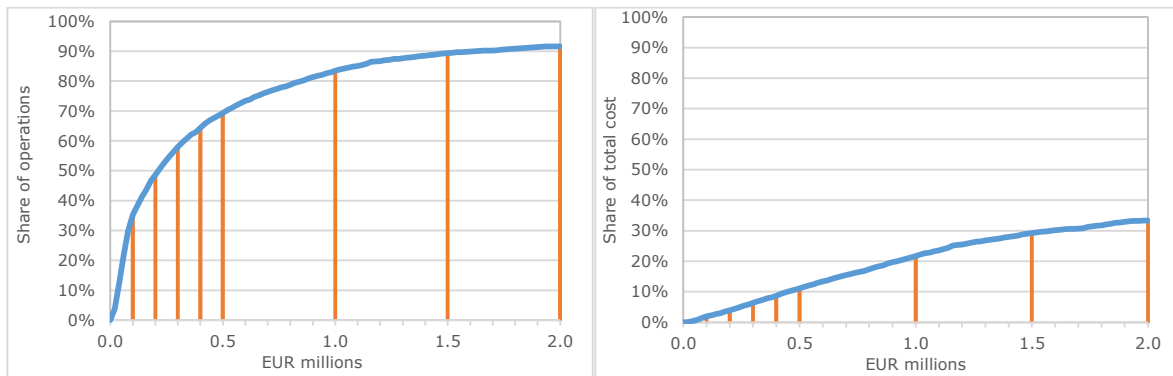


**Cumulative share of operations and total cost for Italy**

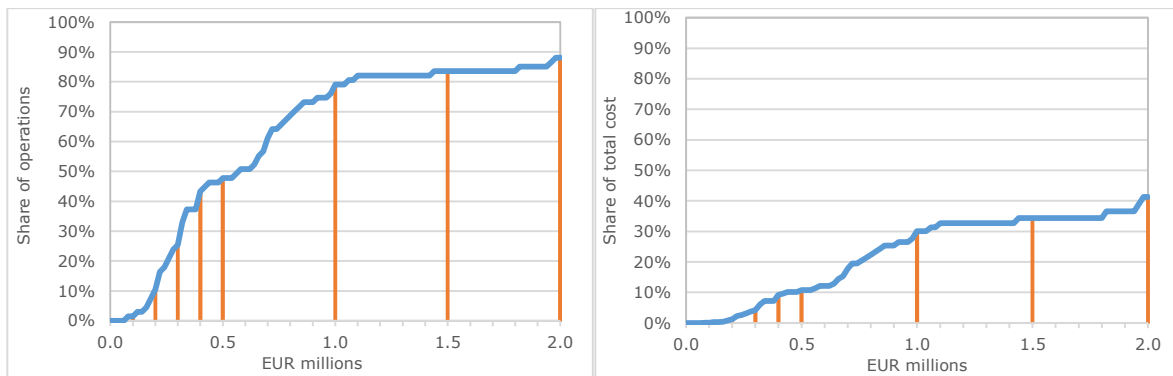
Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)



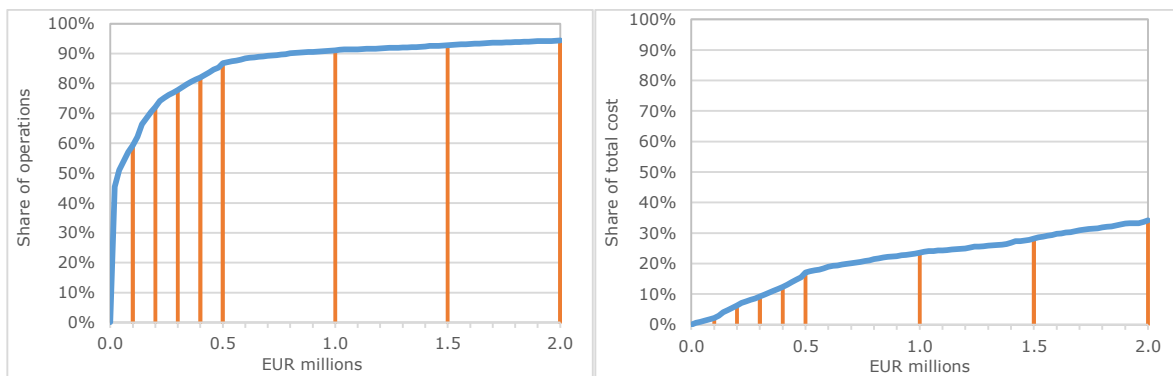
**Cumulative share of operations and total cost for Lithuania**



**Cumulative share of operations and total cost for Luxembourg**

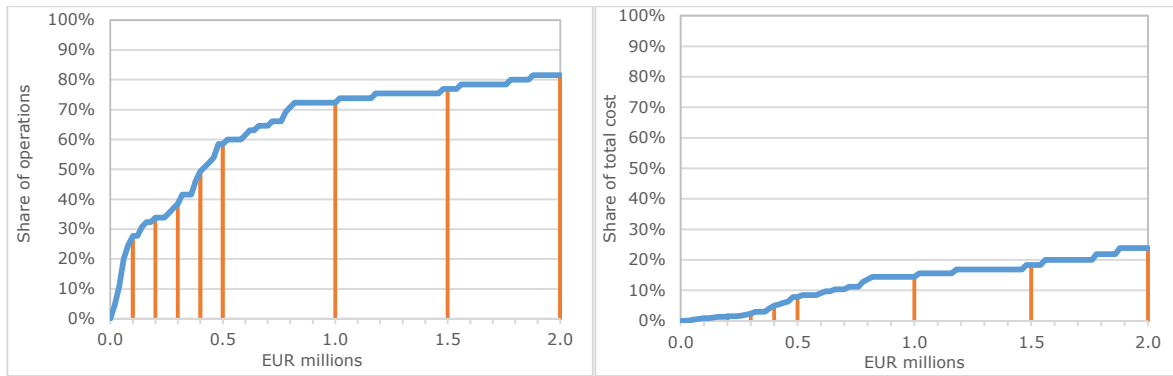


**Cumulative share of operations and total cost for Latvia**

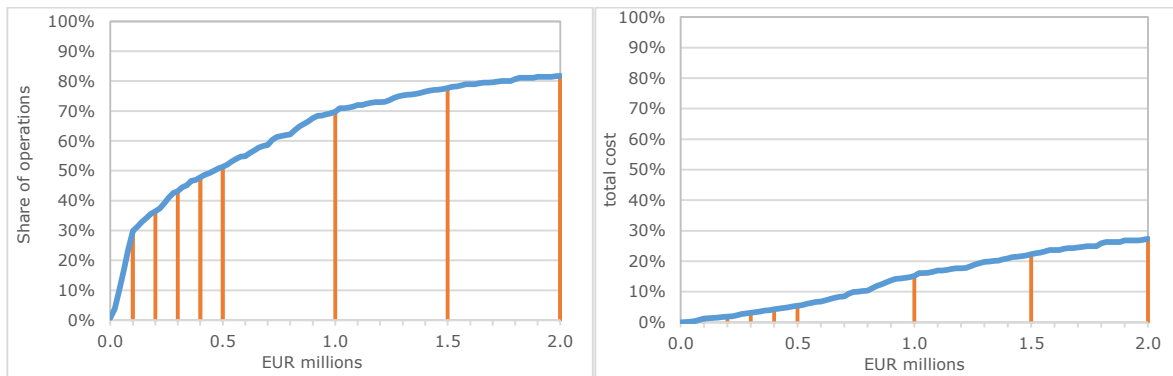


**Cumulative share of operations and total cost for Malta**

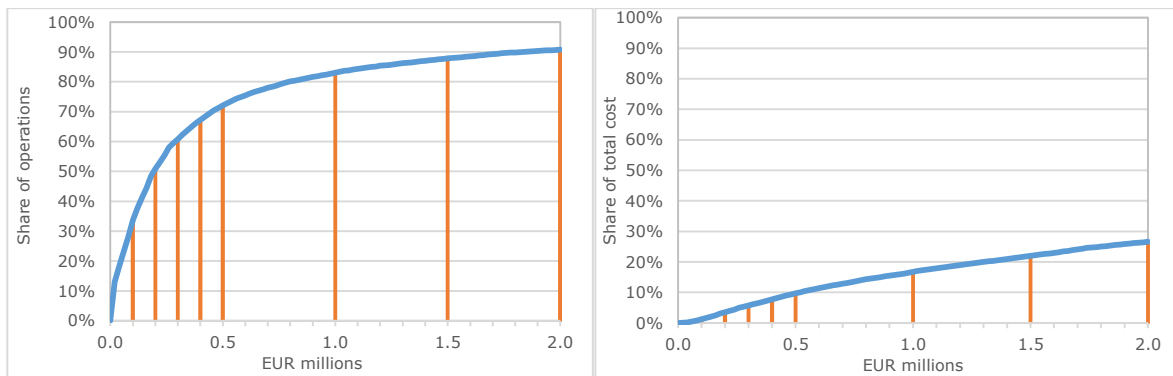
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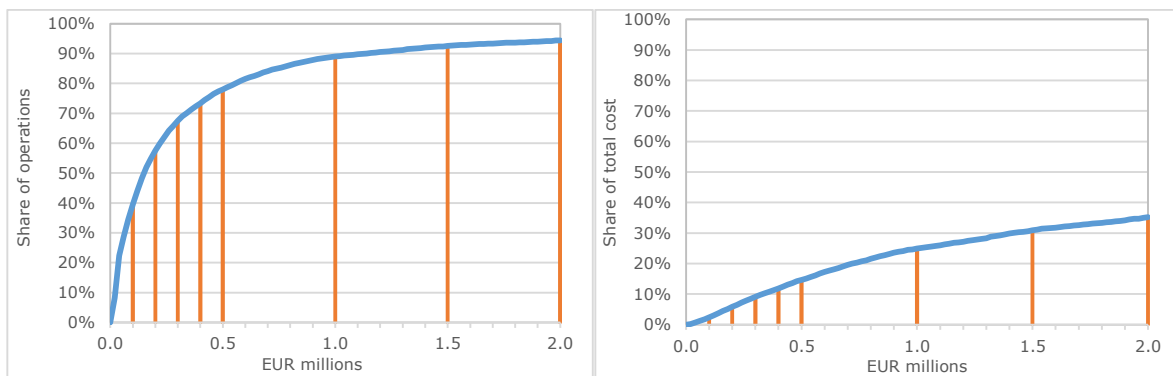
**Cumulative share of operations and total cost for Netherlands**



**Cumulative share of operations and total cost for Poland**

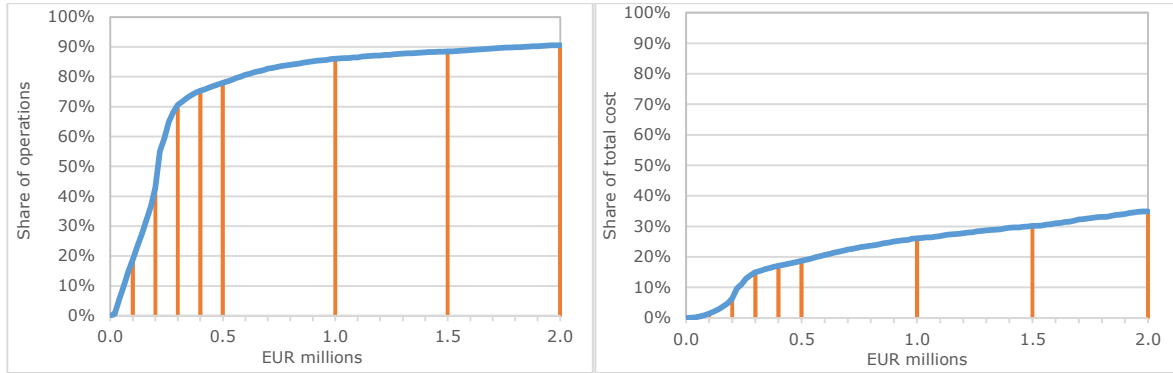


**Cumulative share of operations and total cost for Portugal**

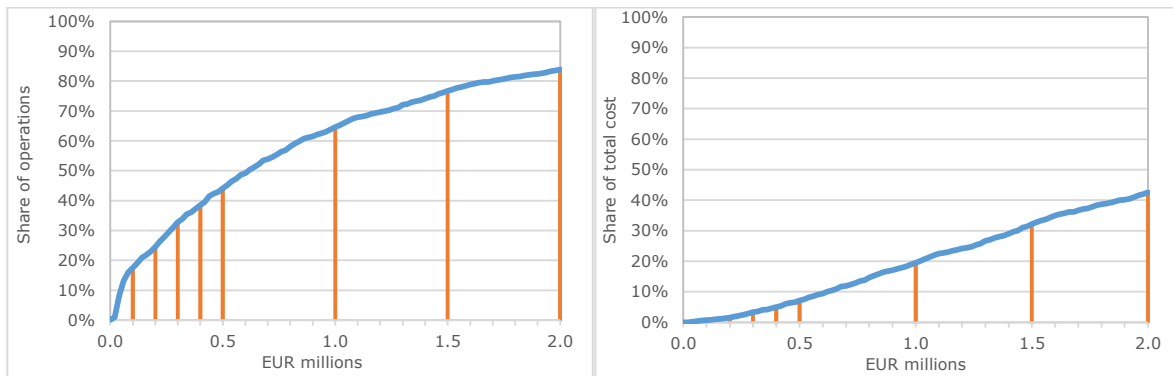


**Cumulative share of operations and total cost for Romania**

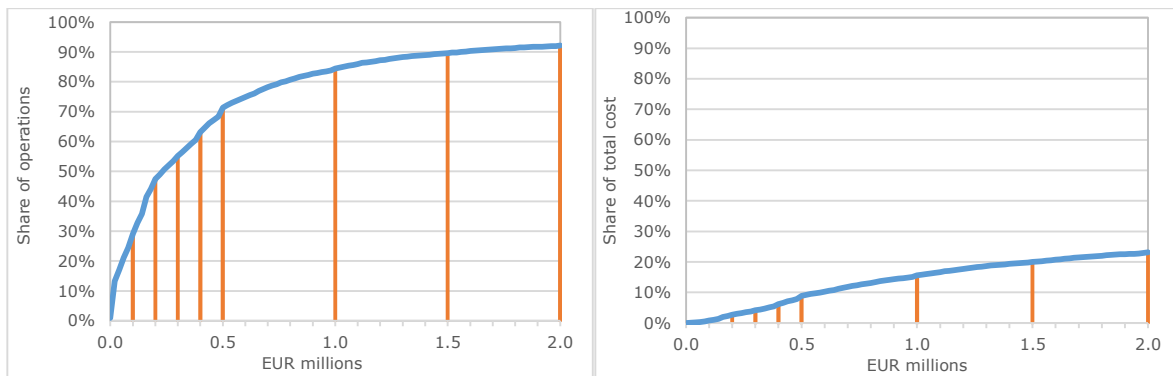
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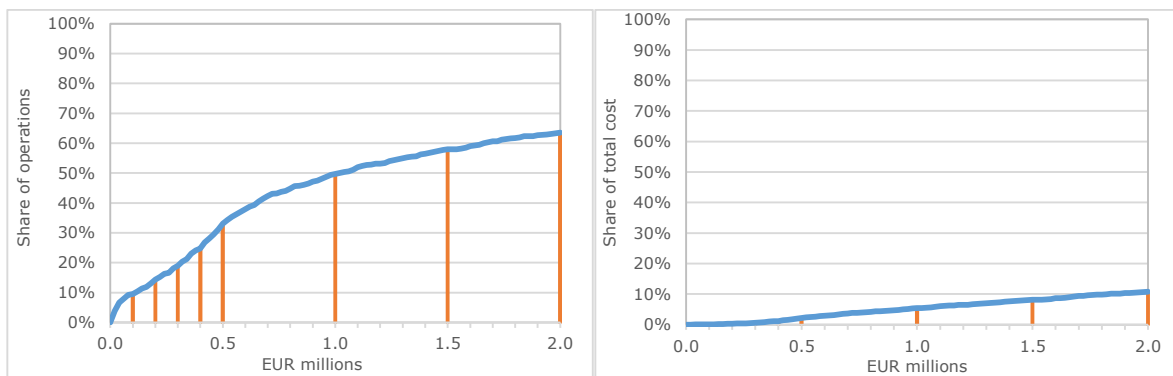
**Cumulative share of operations and total cost for Sweden**



**Cumulative share of operations and total cost for Slovenia**

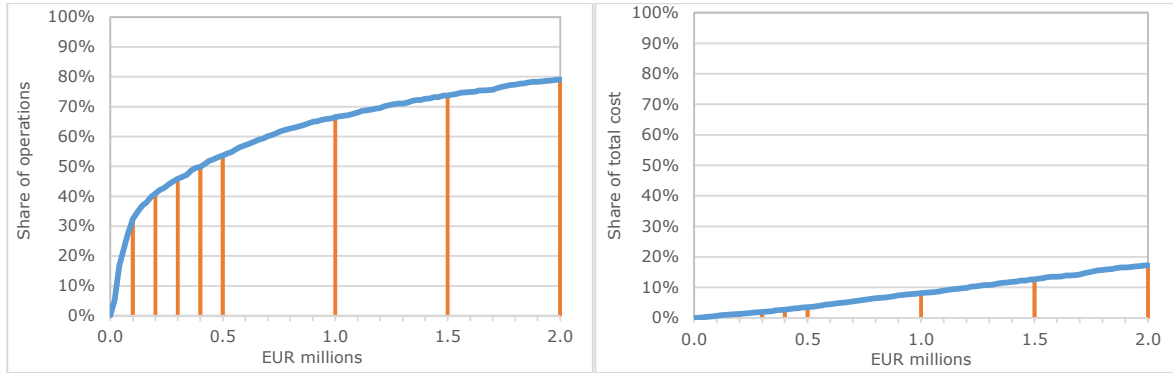


**Cumulative share of operations and total cost for Slovakia**

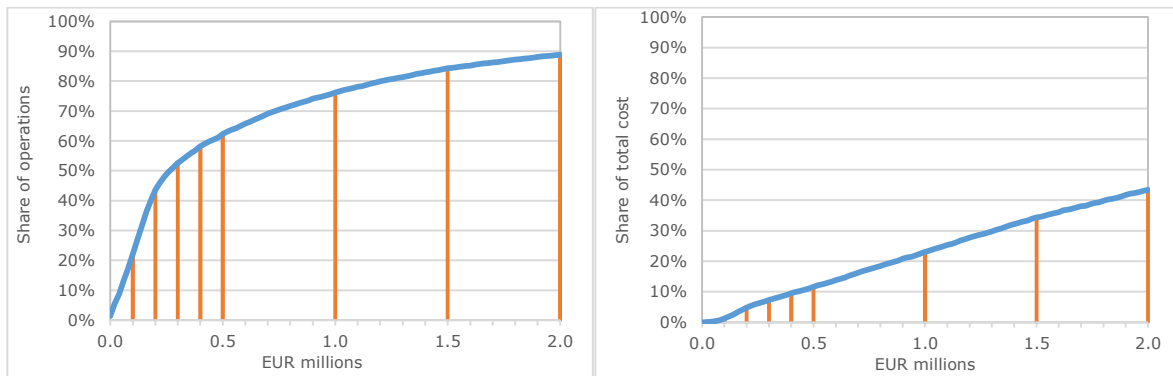


**Cumulative share of operations and total cost for United Kingdom**

Setting up a database to assess impacts and effects of certain thresholds and limits in Regulation (EU) No 1303/2013 (CPR)



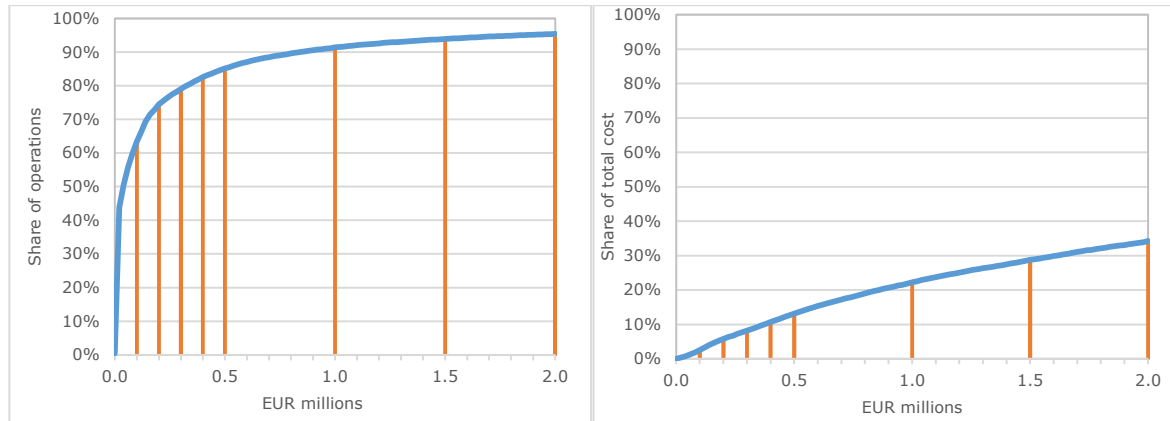
**Cumulative share of operations and total cost for Cross-border**



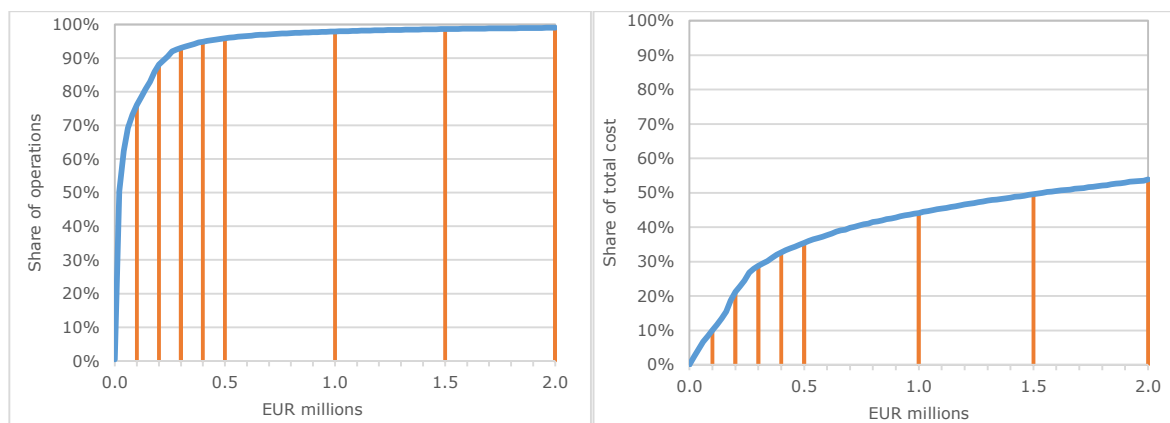
**12. APPENDIX H – CUMULATIVE DISTRIBUTION FOR THE THEMATIC OBJECTIVES**

**Figure 69: Observed cumulative share of operations and total cost for the Thematic Objectives**

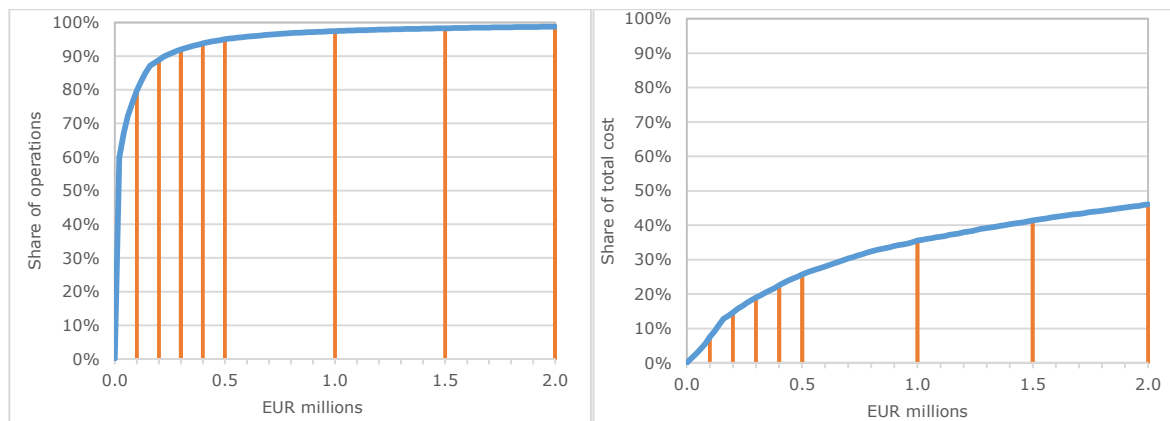
***Cumulative share of operations and total cost for TO1 - Strengthening research, technological development and innovation***



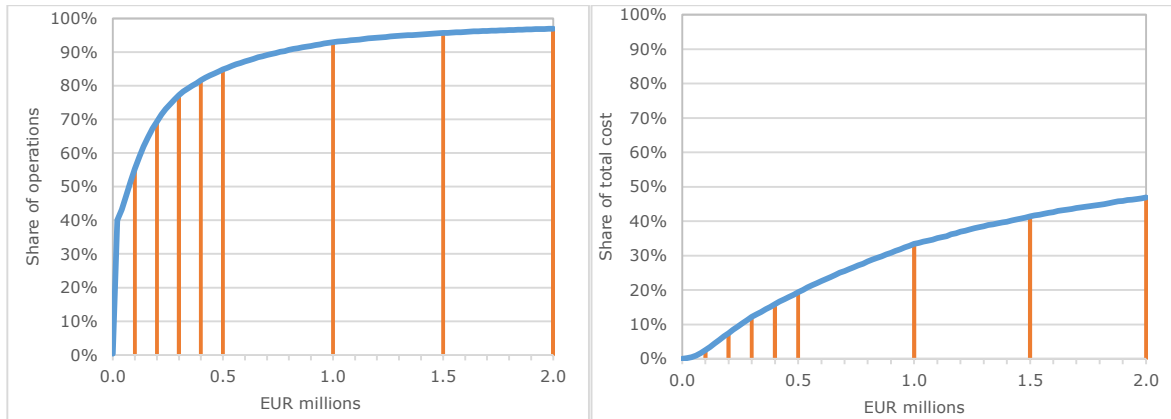
***Cumulative share of operations and total cost for TO2 - Enhancing accessibility to and use and quality of information and communication technologies***



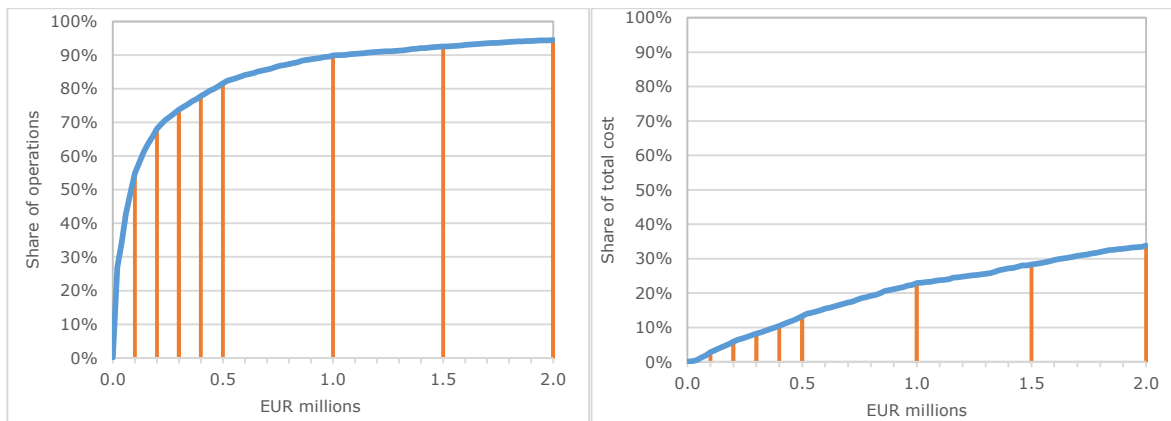
***Cumulative share of operations and total cost for TO3 - Enhancing competitiveness of small and medium sized enterprises***



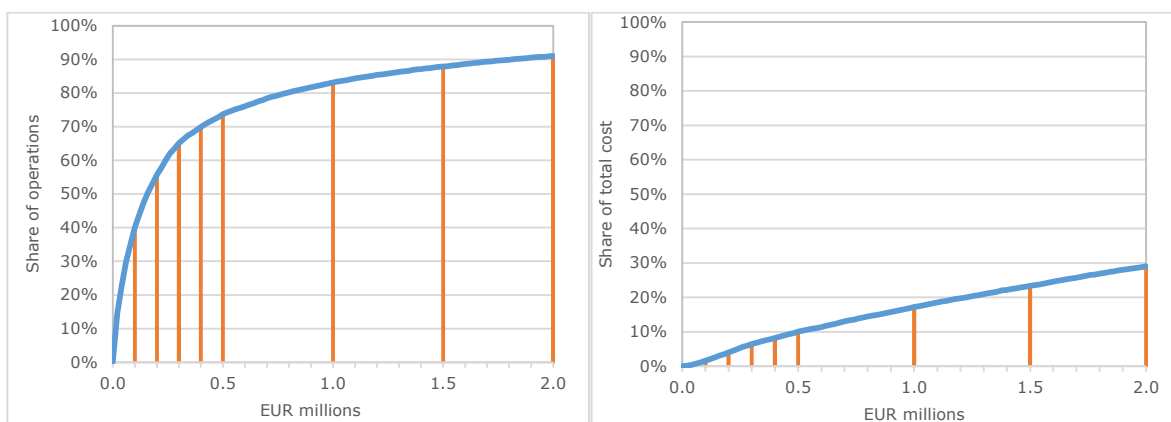
**Cumulative share of operations and total cost for T04 - Supporting the shift towards a low-carbon economy in all sectors**



**Cumulative share of operations and total cost for T05 - Promoting climate change adaptation, risk prevention and management**

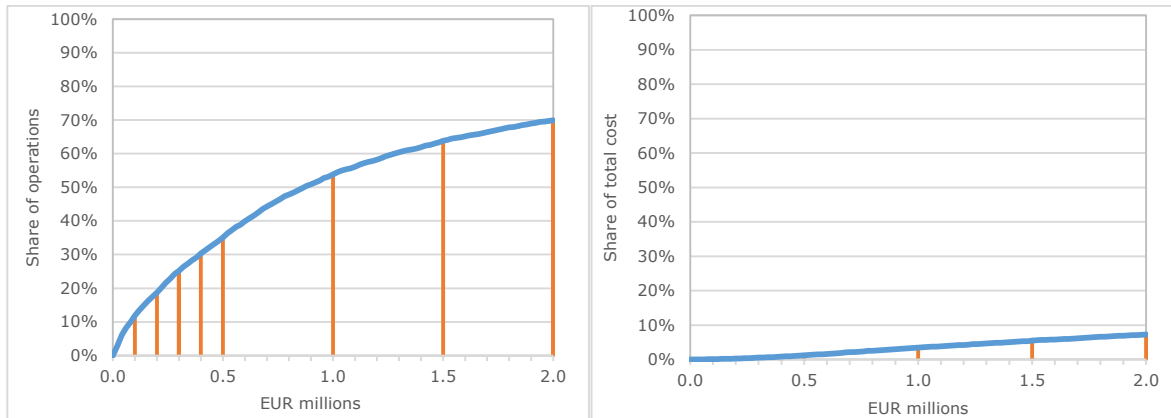


**Cumulative share of operations and total cost for T06 - Preserving and protecting the environment and promoting resource efficiency**

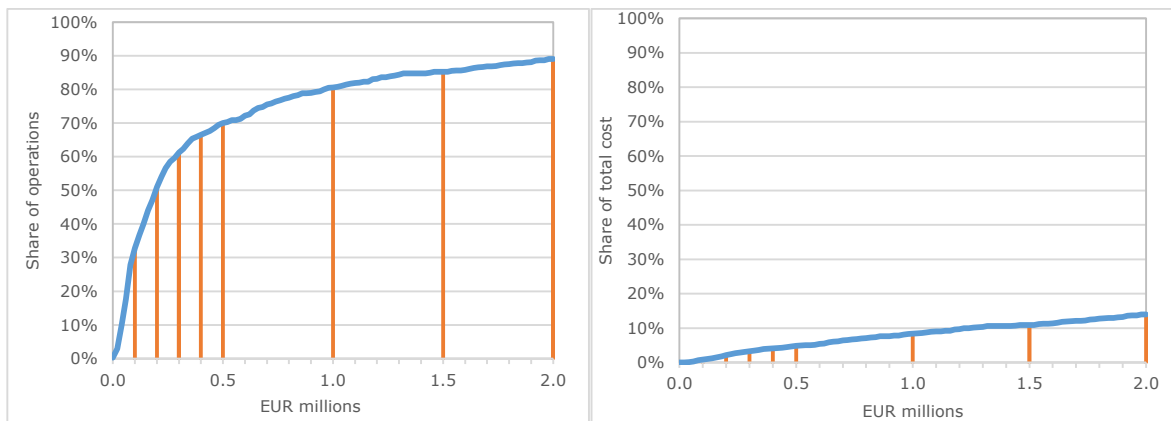




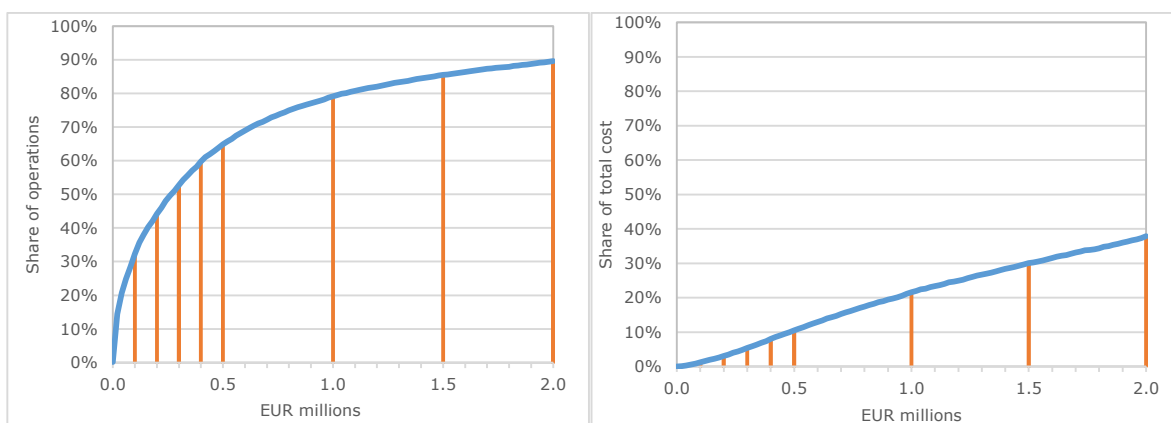
**Cumulative share of operations and total cost for T07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures**



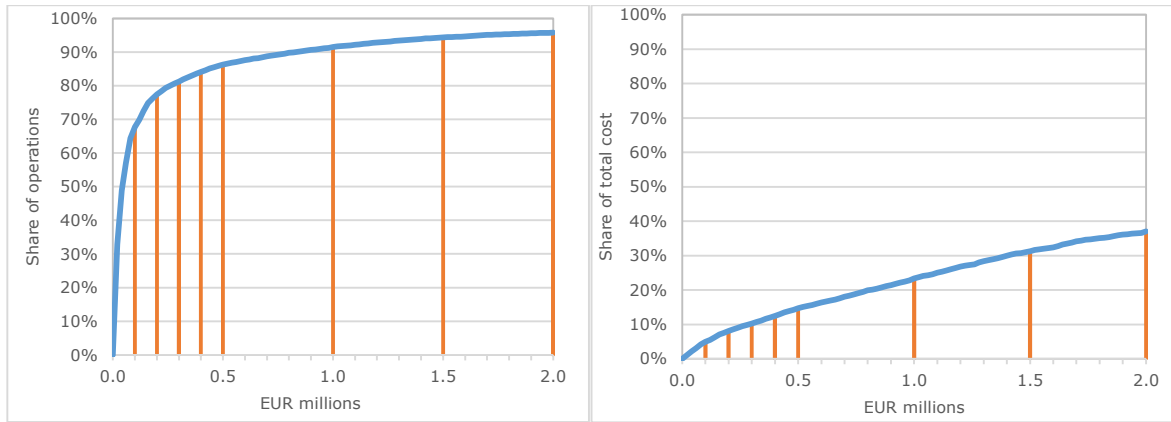
**Cumulative share of operations and total cost for T08 - Promoting sustainable and quality employment and supporting labour mobility**



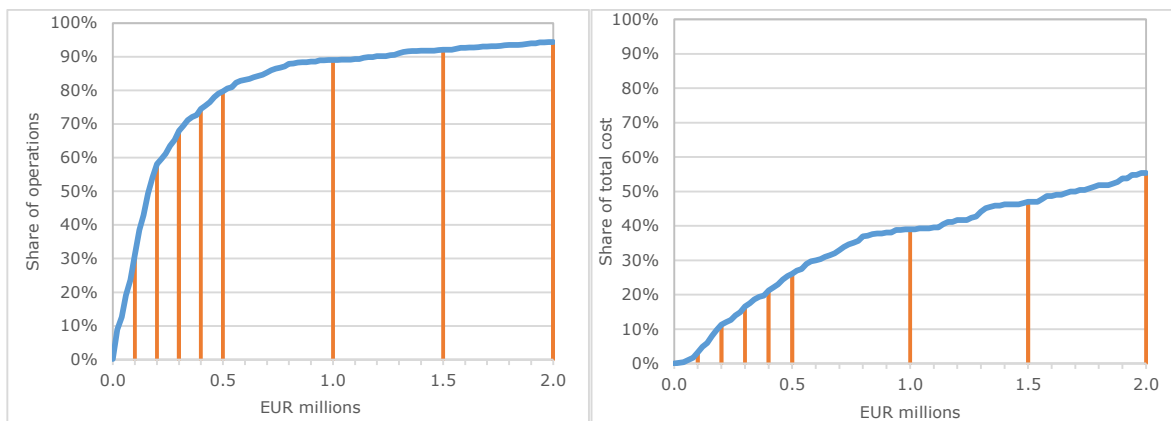
**Cumulative share of operations and total cost for T09 - Promoting social inclusion, combating poverty and any discrimination**



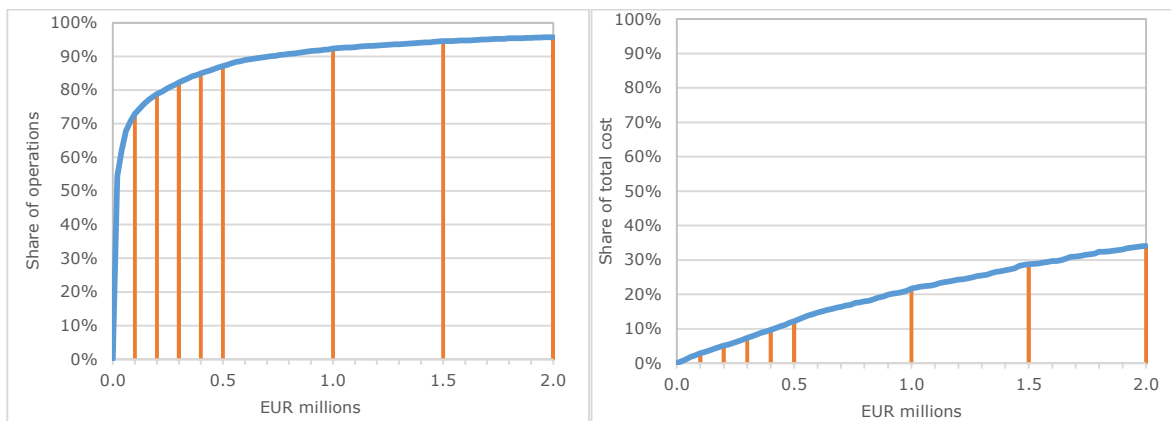
**Cumulative share of operations and total cost for TO10 - Investment in education, training and vocational training for skills and lifelong learning**



**Cumulative share of operations and total cost for TO11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration**



**Cumulative share of operations and total cost for Technical Assistance**



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