



Annual Activity Report 2020

Annexes

DIRECTORATE-GENERAL REGIONAL AND URBAN
POLICY

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

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

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

Brussels, 30 April 2021

Monika Hencsey
"Signed"

¹ C(2017)2373 of 19.04.2017

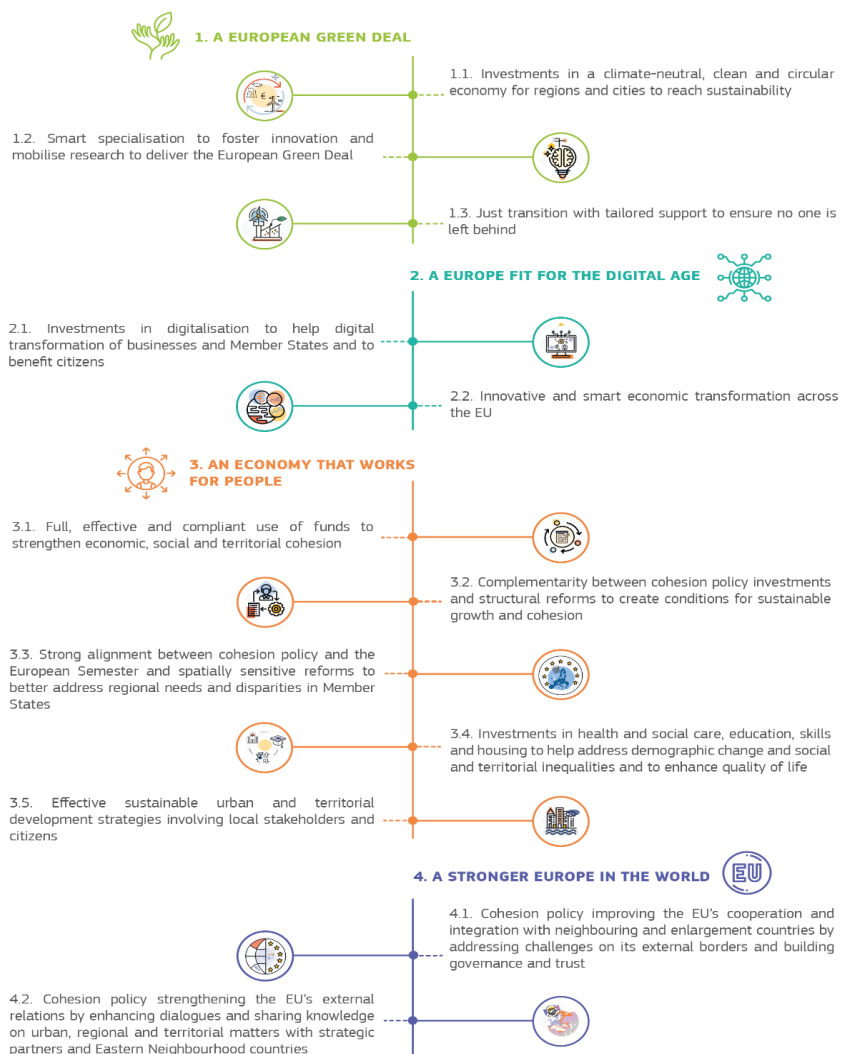
² For an assessment of the reliability of performance data, please see main AAR section 2.1.1.1, chapter Reliability of reporting

ANNEX 2: Performance tables

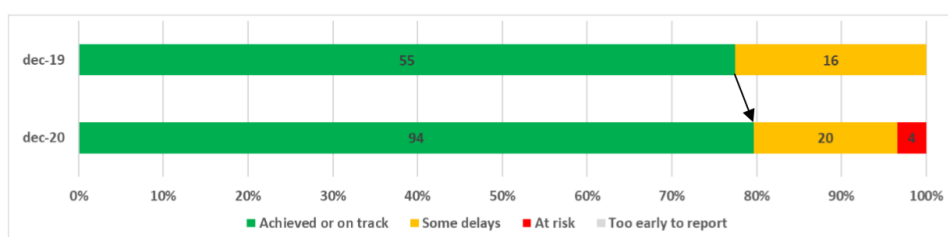
ANNEX 2A: Performance against Operational Priorities as per Management Plan 2020

Alignment between REGIO’s multiannual and operational priorities (2020 Management Plan) and Commission general objectives

REGIO identified 12 specific objectives. These are structured around four of the six main Commission multiannual priorities (general objectives) to which REGIO contributes.



The outcomes of the final monitoring exercise of REGIO’s performance against the priorities of the Management Plan (MP) 2020 are the following:



Status at end-December 2020 (number of indicators and % of total)

ANNEX 2B: Performance Tables - Policy

Methodology – measuring performance in REGIO

Performance information mainly comes from Member States reporting on common indicators on the implementation of 2014-2020 programmes, in line with the performance framework embedded in REGIO's Strategic Plan for 2020-2024. This information is important for assessing the achievement of objectives associated with ERDF/CF programmes.

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

The Annual Implementation Reports, submitted in mid-2020, present a rich source of information on performance, in terms of common indicators. Generally, the reported values show a plausible relationship between the indicator targets and values from selected projects.

Where reporting inconsistencies are detected these are queried with the programmes. For some common indicators (i.e. those measuring population benefiting from risk prevention and health interventions) the national and regional programmes have difficulties in aggregating values from multiple projects to estimate the benefiting population. It also appears that the 2023 targets are in some cases likely to be exceeded by the forecasts from selected operations because the programmes set targets in 2014-2015, in the context of exiting the economic crisis and tight public budgets.

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

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

REGIO policy performance takes into account the following:

- **Forecasted achievement of selected projects:** based on the reporting on financial progress at the end of 2020³, reflecting the most recent state of programmes' implementation on the ground. These data refer to the project selection rate (expressed in an amount of funds allocated to selected projects).
- **Reported achievements:** referring to already implemented projects. These results are communicated to the Commission in the Annual Implementation Report. The data reflects the situation at the end of 2019, as reported in the 2019 Annual Implementation Report in summer 2020⁴.

³ As required under Article 112 of "Common Provisions" Regulation (EU) No 1303/2013

⁴ The data for 2020 will only be available with the 2020 annual implementation reports to be submitted by mid-2021.

- **Reporting on non-financing contribution:** In addition, non-financial contribution of REGIO to the achievement of specific objectives and to the Commission's priorities. This includes ex-ante conditionalities, integrated territorial solutions, capacity building, cooperation mechanisms and technical assistance, which are all instrumental in ensuring proper investment conditions, durability of results and lasting structural changes.

All reported data (achievements and targets) are available on-line through the [ESIF Open data platform](#)⁵ based on indicators reported by the Member States. It is consistently updated.

→ ERDF/CF-specific performance data can also be found in the [2021 Programme Statements](#).

Performance tables from the Strategic Plan 2020-24 (Impact & result indicators)

General objective 1: European Green Deal			
Impact indicator 1: Greenhouse gas emissions			
Explanation: This indicator measures man-made emissions of the so-called 'Kyoto basket' of greenhouse gases, which are integrated into a single indicator expressed in units of CO ₂ equivalents using each gas' global warming potential. It shows changes in percent of the emissions compared to 1990 levels			
Source of the data: European Environmental Agency (Eurostat online data code: sdg_13_10)			
Baseline (2018)	Interim milestone (2020)	Target (2030)	Latest known results (2020)
-20.7%	-20%	-55%	-24%
Impact indicator 2: Share of renewable energy in gross final energy consumption			
Explanation: Renewable energy generation is given as the share of renewable energy consumption in gross final energy consumption. The gross final energy consumption is the energy used by end consumers (final energy consumption) plus grid losses and self-consumption of power plants			
Source of the data: Eurostat (Eurostat online data code: sdg_07_40)			
Baseline (2018)	Interim milestone (2020)	Target (2030)	Latest known results (2019)
18.88%	20%	32%	19.73%
Impact indicator 3: Size of the green economy			
Explanation: The environmental goods and services sector comprises parts of the economy that generate environmental products, i.e. those produced for environmental protection or resource management. Gross value-added represents the contribution made by the production of environmental goods and services to the gross domestic product in million euros. Employment is measured by the full-time equivalent employment engaged in the production of output of environmental goods and services as defined above			
Source of the data: Eurostat (Eurostat online data code: env_ac_egss3)			
Baseline (2017)	Interim milestone (2022)	Target (2024)	Latest known results (2017)
Gross value-added: €286 940 million	Increase	Increase	EUR 286 940 million
Full-time equivalent employment: 4 152 000	Increase	Increase	4 152 000
Impact indicator 4: Recycling rate of plastic packaging waste			
Explanation: The indicator is defined as the share of plastic packaging waste recycled into plastic material, in all generated plastic packaging waste. Plastic packaging waste covers wasted material that was used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the user or the consumer, excluding production residues			
Source of the data: Eurostat (Eurostat online data code: CEI_WM020)			
Baseline (2017)	Interim milestone (2022)	Target (2025)	Latest known results (2018)
41.2%	Increase	50%	41.5%
Impact indicator 5: Climate mainstreaming in the EU budget (proportion of climate related spending)			

⁵ <https://cohesiondata.ec.europa.eu/>

Explanation: Proportion of climate related spending (mainstreaming) in the EU budget			
Source of the data: European Commission Draft Budget Reports			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
21%	30%	30%	21%

Specific objective 1.1: Investments in climate | Related to spending programme(s): ERDF/CF

Result indicator 1.1.1: Additional waste recycling capacity
Explanation: REGIO Common indicator C017 - Additional solid waste recycling capacity (tonnes/yr.)
Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018) ⁶	Interim milestone (2022)	Target (2024) ^{7a}	Latest known results (2020)
755,405	Increase	4,776,745	1,243,338

Result indicator 1.1.2: Proportion of climate related spending over total ERDF/CF budget
Explanation: Proportion of cohesion policy dedicated to climate change (in %). Climate change related expenditure on the basis of current regulation
Source of data: REGIO Climate tracking (Strategic report, Annex 3)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
19.2%	Increase	20%	19.6%

Result indicator 1.1.3: Total length of reconstructed or upgraded railway lines
Explanation: REGIO Common indicator C012 - Total length of reconstructed or upgraded railway line (in km)
Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
938	Increase	5,913	1,247

Result indicator 1.1.4: Additional capacity of renewable energy production
Explanation: REGIO Common indicator C030 - Additional capacity of renewable energy production (MW)
Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
1,016	Increase	7,207	2,094

Result indicator 1.1.5: Number of households with improved energy consumption classification
Explanation: REGIO Common indicator C031 - Number of households with improved energy consumption classification (households)
Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
173,688	Increase	625,702	285,370

Specific objective 1.2: Mobilising research and innovation | Related to spending programme(s): ERDF/CF

Result indicator 1.2.1: Amount of research and innovation investments in low carbon economy and climate change
Explanation: Amount invested into research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change
Source of data: Study on prioritisation in Smart Specialisation Strategies in the EU (once available)

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)

⁶ In the following pages, all Baselines for common indicators (COXX) are the latest available (2018) figures.
⁷ While we mention a target date of 2024 (the end of the current strategic plan), please note that in the following pages, all targets for common indicators (COXX) are set for programmes of the 2014-2020 programming period, the delivery of which will extend to 2023. Consequently, these targets are formally 2023 targets. The figures are rounded.
⁸ The target values indicated in these tables vary slightly from the values indicated in the Strategic Plan 2020-2024. The values displayed here are based on the latest data available

0	Increase	To be defined following the finalisation of the study	The study is under finalisation, with a final report delivered by mid-March. The target for 2024 will subsequently be set
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Specific objective 1.3: Just transition		Related to spending programme(s): ERDF/CF	
Result indicator 1.3.1: Implementation of Just Transition Plans			
Explanation: Implementation of the JTF will be measured through commitments made by affected regions and Member States as of 2021			
Source of data: SFC			
Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
0	Increase	EUR 20 billion	0
Result indicator 1.3.2: Estimated GHG emissions from activities listed in Annex I to the Directive 2003/87/EC in supported enterprises			
Explanation: REGIO (JTF) Common indicator RCR 29. The GHG emissions.			
Source of data: https://cohesiondata.ec.europa.eu/ (will only be available as of 2021)			
Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
0	Decrease	Only available once programmes submitted	0
Result indicator 1.3.3: Just Transition Fund project selection			
Explanation: % financial resources allocated to selected projects (project pipeline)			
Source of data: SFC (financial data transmitted by Member states to the Commission)			
Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
0	Increase	30%	0

General objective 2: A Europe fit for the Digital Age			
Impact indicator 1: Enterprises with a broadband access of at least 100 Mbps			
Explanation: The indicator measures the percentage of enterprises (with 10 or more persons employed) with a maximum contracted download speed of the fastest internet connection of at least 100 Mbps			
Source of the data: Eurostat (Eurostat online data code: isoc_ci_it_en2)			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
23%	Increase	Increase	23%
Impact indicator 2: Aggregate score in the Digital Economy and Society Index (DESI)			
Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. Higher values indicate a better performance			
Source of the data: DESI			
Methodology for calculating the indicator: The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%)			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
49.4	Increase	Increase	52.6
Impact indicator 3: Enterprises selling online			
Explanation: The indicator measures the percentage of enterprises (with 10 or more persons employed) with at least 1% of their turnover generated through e-sales			
Source of the data: Eurostat (Eurostat online data code: isoc_ec_eseln2)			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
17%	Increase	Increase	18%

Impact indicator 4: Gross domestic expenditure on research and development

Explanation: This indicator measures gross domestic expenditure on research and development (R&D) as a percentage of GDP - the R&D intensity. The Frascati Manual defines R&D as creative and systematic work undertaken in order to increase the stock of knowledge - including knowledge of humankind, culture and society - and to devise new applications of available knowledge

Source of the data: Eurostat (Eurostat online data code: [sdg_09_10](#))

Baseline (2018)	Interim milestone (2020)	Target (2024)	Latest known results (2019)
2.18%	Increase	3.00%	2.2%

Impact indicator 5: Innovative enterprises

Explanation: Enterprises with more than 10 persons employed introducing product and/or business process innovations, including enterprises with ongoing or abandoned innovation activities

Source : Eurostat (Eurostat online data code: [INN_CIS11_BAS](#))

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2018)
50.3% EU27	Increase	Increase	50.3%

Specific objective 2.1: Digital transformation

Related to spending programme(s): ERDF/CF

Result indicator 2.1.1: Business digitalisation

Explanation: % of enterprises using electronic information sharing, social media, big data, cloud

Source of data: Eurostat⁹

Baseline (2017)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
21%	Increase	30%	The data source of this (aggregated) indicator is no longer accessible. We would therefore suggest to update with a number of disaggregated data. Enterprises with a website: up from 76% in 2017 to 77% in 2020. Enterprises using social networks: up from 43% in 2017 to 48% in 2019. Enterprises with e-commerce sales: up from 20% in 2017 to 21% in 2020

Result indicator 2.1.2: Broadband access

Explanation: REGIO Common indicator CO10 - Additional households with broadband access of at least 30Mbps (households)

Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
2,989,418	Increase	10,158,130	4,571,786

Result indicator 2.1.3: Expenditure on digitalisation

Explanation: Dedicated funds to Thematic Objective 2 (TO2) under the 2014-2020 (Baseline) plus future MFF (Target) budget

Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
EUR 2.936 billion ¹⁰	Increase	EUR 11 (+ 50 billion) ¹¹	EUR 12.772 billion

Specific objective 2.2: Innovative and smart transformation

Related to spending programme(s): ERDF/CF

⁹ https://ec.europa.eu/eurostat/statistics-explained/index.php/Digital_economy_and_society_statistics_-_enterprises

¹⁰ Spent under Information & Communication Technologies (Thematic Objective 2) for the 2014-2020 programming period at end 2019.

¹¹ 2014-2020 (+ 2021-2027 provisional amount (to be confirmed with the new MFF))

Result indicator 2.2.1: Number of enterprises receiving support**Explanation:** Common indicator C001 - Number of enterprises receiving support (enterprises)**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
414,302	Increase	1,124,608	612,813

Result indicator 2.2.2: Number of enterprises supported to introduce new to the market product**Explanation:** REGIO Common indicator C028 - Number of enterprises supported to introduce new to the market product (enterprises)**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
11,827	Increase	29,861	17,498

Result indicator 2.2.3: Number of new researchers in supported enterprises**Explanation:** REGIO Common indicator C024 - Number of new researchers in supported enterprises (researchers)**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
5,342	Increase	27,126	8,164

Result indicator 2.2.4: Employment increase in supported enterprises**Explanation:** REGIO Common indicator C008 - New direct jobs (direct employment increase in supported enterprises)**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
108,654 ¹²	Increase	380,438	184,529

General objective 3: An economy that works for people**Impact indicator 1: GDP per capita growth****Explanation:** This indicator measures the annual percentage growth rate of gross domestic product (GDP) per capita based on constant local currency. GDP per capita is the GDP divided by the midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources**Source of the data:** Eurostat (Eurostat online data code: [TEC00115](#))

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
1.3%	Increase	Increase	1.3%

Impact indicator 2: Human resources in science and technology**Explanation:** This indicator shows human resources in science and technology as a share of the active population aged 25 to 64 in percent. Human resources in science and technology are people with a tertiary education in and/or employed in science and technology**Source of the data:** Eurostat (Eurostat online data code: [sdg_09_21](#) and [tsc00025](#)), based on the EU Labour Force Survey¹³)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
46.9%	Increase	Increase	46.9%

Specific objective 3.1: Full, effective and compliant use of funds

Related to spending programme(s): ERDF/CF

¹² 211,792 – 117,494 (Spanish value) = 94,298 is the disaggregated value for “Enhancing the competitiveness of small and medium-sized enterprises”¹³ New indicator for the 2020 EU SDG monitoring report. It will be published in Eurobase with code [sdg_09_21](#) once the 2020 edition of the EU SDG monitoring report is released.

Result indicator 3.1.1: 2021-2027 project selection rate

Explanation: 2021-2027 project selection rate (in %), calculated based on the total eligible cost of selected projects as share of the total planned amount (public cost is used where relevant) – reported by MS for ERDF, CF and IPA/E priorities, with a cut-off date for the data submitted: end of the year.

Source of data: The financial data transmitted by MS to the Commission via SFC

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
0%	At least 10%	45%	0%

Result indicator 3.1.2: Amount invested into financial instruments, including Invest EU

Explanation: Amount invested in EUR into final recipients and spent for management costs and fees as well as the amounts contributed to InvestEU Member States compartment

Source of data: SFC and Annual implementation report

Baseline (1/1/2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
EUR 5.3 billion	EUR 12 billion	EUR 18 billion	EUR 6.5 billion

Result indicator 3.1.3: Uptake of roadmaps for administrative capacity building in Member States

Explanation: Number of Member States where roadmaps for administrative capacity have been developed

Source of data: Partnership Agreements, Programmes, Annual implementation reports

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
5 Member States	12 Member States	15 Member States	8 Member States

Result indicator 3.1.4: Number of simplified cost option methodologies in place in the Member States

Explanation: Mapping of SCOs in place in the EU done in 2019.

Source of data: Programmes and information from Member States

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
388	600	800	614 ¹⁴

Specific objective 3.2: Complementarity with structural reforms

Related to spending programme(s): ERDF/CF

Result indicator 3.2.1: Achieve complementarity between cohesion policy investments through technical assistance for furthering structural reforms

Explanation: Review of 100% of all Member State requests under the Technical Support Instrument that are relevant for implementation of cohesion policy by the set deadline.

Source of data: JIRA database

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
100% of relevant requests reviewed for the 2020 budget	100% of relevant requests reviewed for the 2021 and 2022 budgets	100% of relevant requests reviewed for the 2021-2024 budgets	100% of relevant requests reviewed for the 2020 budget

Specific objective 3.3: European Semester

Related to spending programme(s): ERDF/CF

Result indicator 3.3.1: Uptake of REGIO contributions to country reports

Explanation: Country Reports addressing regional disparities and including analysis of investments at regional level: number of CR

Source of data: <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
26/28	24/27	24/27	26/28

Specific objective 3.4: Demographic and social challenges

Related to spending programme(s): ERDF

¹⁴ There are currently 614 SCO schemes in place for the programming period 2014-2020. Please note that the baseline of 388 was taking into consideration also the UK schemes that are no longer part of the updated figure of 614.

Result indicator 3.4.1: Capacity of supported childcare or education infrastructure**Explanation:** REGIO Common indicator C035 - Capacity of supported childcare or education infrastructure**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
6,799,156	Increase	17,463,626	15,550,946

Result indicator 3.4.2: Population covered by improved health services**Explanation:** REGIO Common indicator C036 - Population covered by improved health services**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
27,458,607	Increase	64,434,204	38,716,939

Specific objective 3.5: Urban and territorial development

Related to spending programme(s): ERDF/CF

Result indicator 3.5.1: Population living in areas with integrated urban development strategies**Explanation:** REGIO Common indicator C037 - Population living in areas with integrated urban development strategies**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
16,017,698	Increase	40,829,943	19,186,206

Result indicator 3.5.2: Participants in cross-border labour mobility**Explanation:** REGIO Common indicator C043 - Number of participants in cross-border mobility initiatives**Source of data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
55,960	Increase	192,080	107,175

General objective 4: A stronger Europe in the world**Impact indicator 1: Readiness of enlargement countries on economic criteria****Explanation:** This indicator aims at showing where the enlargement countries stand in terms of their preparations for meeting key areas of the two economic accession criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the EU. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5.**Source of the data:** European Commission**Methodology for calculating the indicator:** In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:

1. Early stage
2. Some level of preparation
3. Moderately prepared
4. Good level of preparation
5. Well advanced

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
2.64	Increase	Increase	2.68

Impact indicator 2: Readiness of enlargement countries on political criteria**Explanation:** This indicator shows where the enlargement countries stand in terms of their preparations for meeting key areas of the political accession criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and public administration reform. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5**Source of the data:** European Commission**Methodology for calculating the indicator:** In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:

1. Early stage
2. Some level of preparation
3. Moderately prepared
4. Good level of preparation

5. Well advanced			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
1.99	Increase	Increase	2.01

Impact indicator 3: Governance in neighbourhood

Explanation: The following three indicators are measured for the eastern and southern neighbourhood countries. They are measured on a scale from 0 to 100

- **Voice and accountability** captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media
- **Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies
- **Political stability and absence of violence / terrorism** captures perceptions of the likelihood of political instability and / or politically-motivated violence, including terrorism

Source of the data: The World Bank's [Worldwide Governance Indicators \(WGI\) project](#) compile and summarise information from over 30 existing data sources that report the views and experiences of citizens, entrepreneurs, and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance

Baseline (2017)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
Voice and accountability: <i>Eastern neighbourhood:</i> 33.09 <i>Southern neighbourhood:</i> 27.98	Increase	Increase	Eastern neighbourhood: 36.21 Southern neighbourhood: 27.68
Government effectiveness: <i>Eastern neighbourhood:</i> 46.32 <i>Southern neighbourhood:</i> 37.98	Increase	Increase	Eastern neighbourhood: 49.20 Southern neighbourhood: 35.67
Political stability and absence of violence / terrorism: <i>Eastern neighbourhood:</i> 27.06 <i>Southern neighbourhood:</i> 13.43	Stabilise	Increase	Eastern neighbourhood: 29.21 Southern neighbourhood: 14.29

Specific objective 4.1: Neighbouring and enlargement

Related to spending programme(s): IPA/ENI

Result indicator 4.1.1: Composite indicator on the readiness of enlargement countries on 'Resources, agriculture and cohesion', 'Competitiveness and inclusive growth' and "Green agenda and sustainable connectivity" clusters of the political accession criteria.

Explanation: State of play (i.e. the readiness) is assessed according to five-tier standard assessment scale¹⁵:

Source of data: Annual enlargement country reports – European Commission

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
4 cases of early stage of preparation	3 cases of early stage of preparation	calculated majority of candidate countries and potential candidates are moderately prepared	4 cases of early stage of preparation

Result indicator 4.1.2: Faster adoption and implementation of the Uptake of investments in territorial

¹⁵ Early stage – Some level of preparation - Moderately prepared - Good level of preparation – Well Advanced. This composite indicator is based on a careful analysis of the situation under each of the areas. Particular emphasis is given to the importance of implementation and track records of concrete results in each area. Accordingly, these aspects are given more weight than legal alignment and institutional framework in the overall assessment.

cooperation programmes on EU external borders with third neighbouring countries, in the framework of the European Neighbourhood Policy and EU-Russia relations

Explanation: The indicator will measure the levels of cooperation between the relevant authorities in the EU MS and non-EU partner countries of the Eastern and Southern Neighbourhood and the Russian Federation.¹⁶ **Source of data:** REGIO database (SFC)

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
Number of Interreg NEXT programmes 2021-2027 adopted	50% of the foreseen programmes adopted	100% of the programmes adopted are under implementation	16 approved Work plans for programming + 16 Programming Committees set up

Specific objective 4.2: Cohesion policy’s role in external relations | Related to spending programme(s): IPA/ENI

Result indicator 4.2.1: Number of strategies and agreements with strategic partners or world regions, containing a component for regional and urban policy, coordinating and steering relevant EU initiatives on regional and urban policy with strategic partners

Explanation: Inclusion of specific provisions on regional and urban policy cooperation in Strategic Partnership, Association and Cooperation Agreements with strategic partners, in EU strategies, policy documents (as Action Plans, Cooperation Agendas with strategic partners, Summit Conclusions or Policy Dialogues Conclusions), coordination of EU partnerships on urban policy as the EU-India Smart and Sustainable Urbanisation Partnership

Source of data: Legal texts, strategic policy documents, minutes, joint statements or conclusions of regional and urban policy dialogues

Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
Chile, Colombia, Peru, Argentina) and 1 regional organisation (SICA) Specific provisions in EU-Japan SPA, EU-India Urbanisation Partnership, EU-China Joint Statement EU Latin America Strategy Regional and urban policy dialogues established with 9 strategic partners (Japan, China, India, Mexico, Brazil,	Successful conclusion of negotiations articles on regional and urban policy in EU-Chile Association Agreement, EU-MERCOSUR Association Agreement, EU-Mexico Modernised Agreement	Achieved	The EU-Japan Strategic Partnership Agreement (SPA) has a specific article on urban policy cooperation. Agreement reached to include two specific articles on urban and regional policy cooperation in the EU-Chile Association Agreement. The EU-MERCOSUR Agreement has two articles on sustainable urban development and regional integration. Article 4.4. of the EU-Mexico Modernized Agreement is devoted to regional and urban policy development cooperation. The EU-Latin America Joint Communication includes language on the need to promote smart specialization and innovation at the regional level, as well as city-to-city cooperation.
	Regional and urban policy dialogues with operational conclusions with at least 5 of the 9 partners	Regional and urban policy dialogues with all partners	A new letter of intent to establish a regional and urban policy dialogue with Japan will be signed at the next dialogue. A new EU-China Action Plan on regional policy cooperation is almost finalized, it will be signed at the next Dialogue. A new action plan under the EU-India Smart and Sustainable Urbanisation Partnership

¹⁶ The cooperation is measured through the pace of the adoption and implementation of the multiannual cooperation programmes for 2021-2027 period. The success in the adoption and implementation of these programmes indicates the levels of the capacities and mutual trust and understanding between both the central authorities mostly in charge of the joint programming and programmes’ management, as well as by the regional and local level beneficiaries bound to jointly develop and implement the projects, contributing to the objectives defined by each programme.

			is under discussion and expected to be approved end of April 2021.
	Inclusion of regional and urban policy provisions in Summit joint statements and new EU strategies and cooperation agendas with India, China, Japan and Latin America	Regional and urban policy cooperation strengthened and highlighted in subsequent high-level events (Summits) and operational documents (action plans, cooperation agendas)	Regional and urban policy chapters has been included in the EU-China Cooperation agenda 2025 and the EU-India Strategic Partnership Roadmap 2025
Result indicator 4.2.2: Number of cooperation programmes, projects, initiatives, studies and networks with strategic partners			
Explanation: Implementation of cooperation programmes and projects involving EU regions and cities with non-EU regions and cities, joint research and studies on common challenges			
Source of data: Related projects' reports and studies			
Baseline (2020)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
Finalisation of the first phase of the International Urban Cooperation programme (IUC) funded by the PI	IURC: Second phase of IUC effectively launched, 100 cities (50 from EU) and 60 regions (30 from EU) selected and started to cooperate.	IURC programme successfully implemented, thematic networks established on topics of EU interest, action plans developed by participating cities, knowledge sharing platform completed	IUC successfully concluded by 31/12/2020; 79 urban cooperation action plans developed; 1 knowledge sharing platform and 6 regional websites established
	Pilot project (EP): Four thematic city networks established including selection of 32 cities (at least 16 from EU)	Pilot project successfully implemented, thematic networks established	Financing decision adopted and terms of reference drafted for the tender on international city partnerships. Preparation of the fifth edition of the URBELAC network on inclusion of migrants and refugees ongoing, 3 EU cities (UAEU and UIA) selected.
	Studies on demographic change and territorial development (with Japanese partners) and on smart specialisation (with Chinese partners) carried out.	Final reports delivered, including at least 5 case studies and a final event for each study.	EU-China Regional Innovation Study finalised and published (Inforegio) -EU-Japan study on territorial implications of demographic change ongoing (first chapter and case studies delivered by both EU and Japanese experts)

Performance tables from the Management Plan 2020 (Outputs)

1. General objective: A European Green Deal

Specific objective 1.1: Investments in climate

Related to spending programme(s) ERDF/CF

Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Ensure effective integration of environmental, climate and energy priorities in cohesion policy programmes 2021-2027	Number of reviewed Partnership Agreements during the informal dialogue with Member States	100% submitted draft Partnership Agreements	Achieved / On track
Enabling conditions related to National Energy and Climate Plans, disaster risk management	Share of assessed enabling conditions related to energy/	Reviewed for ¾ of the Member States to which these enabling	Achieved / On track

plans, waste management plans and Priority Action Framework put in place	climate/water, waste and transport	waste	conditions will be applicable	
Specific objective 1.2: Mobilising research and innovation			Related to spending programme(s) ERDF/CF	
Main outputs in 2020:				
Other important outputs				
Output	Indicator	Target	Latest known results (situation on 31/12/2020)	
Initiate general integration of green technologies in programmes	Amount dedicated to green innovation in 2021-27 programmes	At least EUR 1.9 billion	At risk of non / under-achievement The amount dedicated to green innovation was not known since no fully mature Partnership Agreements were received by the end of 2020. Nonetheless, the amounts will become available progressively as negotiations continue in the months to come.	
Specific objective 1.3: Just transition			Related to spending programme(s) ERDF/CF	
Main outputs in 2020:				
New policy initiatives				
Output	Indicator	Target	Latest known results (situation on 31/12/2020)	
Adoption of the Just Transition Fund regulation 	Speedy adoption to allow for implementation by Member States (MS) as of 1 January	By end 2020	Achieved / On track	
Adoption of Just Transition Mechanism 3 rd pillar regulation 	Speedy adoption to allow for implementation by MS as of 1 January	By end 2020	Achieved / On track	
Preparation of the Territorial Just Transition Plans (TJTP)	Number of TJTP covered in the informal negotiations process	50%	Likely to be achieved but with tolerable delays / shortfalls No mature TJTP had been submitted yet by the end of 2020. However, discussions are ongoing in the framework of the JTF matrix meetings and with Member States as regards technical assistance, extension of JTF scope and eligibility of certain investments. The underlying reasons behind slow progress were known and expected at the time of endorsement of the MP 2020.	
Setting up of a Just Transition Platform (technical assistance for the implementation of the Just Transition Mechanism)	Timely set-up	By end 2020	Achieved / On track	
External communication actions				
Output/ Result	Indicator	Target	Latest known results (situation on 31/12/2020)	
Contribution of Cohesion	European Week of		Achieved / On track	

policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user friendly way	Regions and Cities		Achieved / On track
	N° participants	>7,000	Achieved / On track
	Media reach	>5 million	
	Satisfaction survey	>75%	
	EU delivers in the regions	>10 million	Achieved / On track
	Audiences reached		
	Green Trip:		Achieved / On track
	Young audiences (18-24 years)	TBC (under design)	

General objective 2: A Europe Fit for the Digital Age

Specific objective 2.1: Digital transformation

Related to spending programme(s) ERDF/CF

Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Ensure effective integration of policy objectives related to digitalisation in 2021-2027 programmes	Number of reviewed Partnership Agreements during the informal dialogue with Member States	100% of submitted draft Partnership Agreements	Achieved / On track
Sustained and continued operation of the European Broadband Competence Offices (BCO) network	Number of actions aimed at cooperation and interaction with involved Commission services	3 trainings/coordination events for BCOs delivered	Achieved / On track

Specific objective 2.2: Innovative and smart transformation

Related to spending programme(s) ERDF/CF

Main outputs in 2020:

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Initiate and sustain constructive relationship with regional stakeholders	Carry out a stakeholder consultation on inter-regional innovation investments	End 2020	Achieved / On track

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Initiate a proper uptake of smart specialisation strategies in cohesion policy programmes 2021-2027	Number of reviewed Partnership Agreements during the informal dialogue with Member States	100% of submitted draft Partnership Agreements	Achieved / On track
Trigger enhanced development of regional innovation-led policies in Member States/regions	Number of supported Member States/regions in innovation-led policy development	30 Member States/regions received targeted support from the Commission	Achieved / On track
Monitoring the development of partnerships registered under the 3 Thematic Smart Specialisation Platforms	Number of Steering Committee meetings organised	At least 1	Achieved / On track
Assessment of the progress of the partnerships positioning them in the framework of the	Number of new partnerships registered	At least 1	Achieved / On track

established methodology

External communication actions

Output/ Result	Indicator	Target	Latest known results (situation on 31/12/2020)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user friendly way	European Structural Investment Funds Open Data Platform Number of views	>1 million	Likely to be achieved but with tolerable delays / shortfalls The relevant data for this indicator are not yet available (probably in February).
	A Scuola di Open Coesione Number of countries	>4	Achieved / On track


General objective 3: An Economy that Works for People

Specific objective 3.1: Full, effective and compliant use of funds

Related to spending programme(s) ERDF/CF

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Adoption of the cohesion policy legislative framework for 2021-27 including changes introduced as follow up to the adjusted Multi Annual Financial Framework (MFF) proposal 	Common Provisions Regulation adopted ERDF/CF regulation adopted Interreg regulation adopted Regulation on European Cross - Border Mechanism adopted	Achieved by end 2020 (except ECBM)	Achieved / On track
Coronavirus Response Investment Initiatives (CRII and CRII Plus) Regulations amending 2014-2020 legislative framework to help Member States overcome the effects of the COVID-19 pandemic through implementing the European Structural Investment Funds – 13 March and 2 April	2 proposals adopted Entry into force within one month from COM proposal	achieved achieved	Achieved / On track
Regulation amending the EU Solidarity Fund Regulation to provide financial assistance for major public health emergencies – 30 March	Proposal adopted	achieved	Achieved / On track
Commission proposal (REACT-EU) to amend 2014-2020 legislative framework as regards additional resources and implementing arrangements to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic – 28 May	Proposal adopted	achieved	Achieved / On track

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Reporting evidence of cohesion policy contribution to EU development through	Mid-term evaluation of the Jaspers initiative 2014-2020	Staff working document	Likely to be achieved but with tolerable delays / shortfalls The consultant provided a final report of

evaluation activities			poor quality, with the deliverables submitted with significant delays.
	Ex-post evaluation of investments in Research and Technological Development (RTD) infrastructures and activities supported by ERDF in the period 2007-2013	Second interim report	Achieved / On track
	Study on beneficiary level monitoring systems and data in Member States (to feed 2014-20 ex-post evaluation)	Call for tender published	Achieved / On track
	Evaluation of e-cohesion in Member States	Inception report	Achieved / On track

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Effective mobilisation and monitoring of cohesion policy resources to respond to the Covid-19 outbreak	Responses to MS questions for interpretation of new legislation provided timely	100% questions answered	Achieved / On track
	Timely adoption of programme amendments, accommodating Member States actions in the framework of the CRII(+) and REACT-EU, within the regulatory deadline	100%	Achieved / On track
	Monitoring tool on uptake of measures introduced by the CRII(+) put in place	1	Achieved / On track
	New framework of COVID-19 voluntary common specific indicators presented to MS	1	Achieved / On track
Senior management is regularly informed about the progress in implementation	Number of Implementation reports providing comprehensive information on the state of play of implementation	4	Achieved / On track
Programming documents submitted by Member States for the 2021-2027 programming period	Number of mature draft Partnership Agreements sent	40%	At risk of non / under-achievement The target on the number of mature draft Partnership Agreements sent could not be reached as no fully mature PA was sent to the Commission by end-2020, due to numerous factors linked to the COVID-19 context, in particular, the CRII(+) amendments, REACT-EU programming, overlapping scope of RRF, JTF programming, delayed legislation and other factors at national level.
Encourage a wider uptake of financial instruments and promote InvestEU	Implementation of the 2020 fi-compass work programme	100%	Achieved / On track
Contribution to correct application of partnership principle in 2021-27 programming	Letter reminding correct application	1	Achieved / On track
	Correct application raised during the informal dialogue and negotiations with Member States	100%	Likely to be achieved but with tolerable delays / shortfalls All GU reported in the Negotiations Progress report about the fulfilment of the partnership principle. It is too early to fully report on the outcomes as the informal dialogue will continue in the

			first half of 2021.
Draft roadmaps for administrative capacity building developed in Member States that have been recommended to do so in Annex D of the 2019 European semester country reports	Number of Member States where at least draft roadmaps for administrative capacity building have been developed	12	At risk of non / under-achievement Only 8 of the targeted 12 draft roadmaps for administrative capacity building have been developed. As negotiations with MS on the new programmes have not advanced enough there is not yet any confirmation whether roadmaps will be developed in certain MS.
2 pilot actions on citizen engagement in cohesion policy launched	Managing Authorities receiving support from OECD	5	Achieved / On track
	Number of grant agreements signed with Civil Society Organisations:	15	Achieved / On track
Simplified cost options promoted	Revised guidelines	1	Achieved / On track
	Number of network meetings organised	3	Achieved / On track
Seamless transition in closure procedure between 2014-2020 and 2021-2027	Closure Guidelines 2014-2020	Commission decision adopted	Likely to be achieved but with tolerable delays / shortfalls The Closure Guidelines had to take into account the CRII, CRII+ and the proposal for REACTEU initiatives, adopted in the first half of 2020. The fact that all these proposals had closure-relevant provisions meant that finalisation of the draft Guidelines had to be delayed until all these proposals were adopted.
Improvement of MS evaluation capacity	Support initiatives carried out through the evaluation helpdesk	7 Expert meetings 1 summer school All evals. submitted by MS synthesised 29 Country fiches finalised	Achieved / On track
	Approach paper on the evaluation of SMEs in MS	Finalised document presented to MS	Likely to be achieved but with tolerable delays / shortfalls The COVID 19 crisis has slowed down the exercise after the first discussion of the draft methodology with MS. The paper will now be finalised in Q1 2021.

Specific objective 3.2: Complementarity with structural reforms

Related to spending programme(s) ERDF/CF

Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Review of all Member State requests under the Technical Support Instrument 2021 that are relevant for cohesion policy implementation with the aim of ensuring synergies with cohesion policy investments and avoiding regio_aar_2020_annexes_final	Number of Member State requests reviewed that are relevant for cohesion policy implementation	100% of relevant requests	Achieved / On track


overlaps or duplication of effort			
Commission position on enabling conditions established	Position established in time for programme adoption	achieved	Likely to be achieved but with tolerable delays / shortfalls Due to the delay in submission of programmes and MS self-assessments, the informal assessment of the fulfilment of enabling conditions by the Commission services was delayed.
Specific objective 3.3: European semester		<i>Related to spending programme(s) ERDF/CF</i>	
Main outputs in 2020:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Investment guidance for the JTF 	Annex D providing investment guidance for the JTF in the Country Reports	27 MS	Achieved / On track
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Better link between cohesion policy programmes and EU's economic governance	Appropriate reference to Country Specific Recommendations in mature draft Partnership Agreements	100%	At risk of non / under-achievement The reference to Country Specific Recommendations in mature draft Partnership Agreements suffered from the general slowdown and delays registered by the process of negotiations of the 2021-2027 period and Member States' preparation of 2021-2027 programming documents.
Contribution of cohesion policy to address COVID-19 crisis through the European semester process	Reference to Coronavirus Response Investment Initiative in Country Specific Recommendations	28	Achieved / On track
Specific objective 3.4: Demographic and social challenges		<i>Related to spending programme(s) ERDF/CF</i>	
Main outputs in 2020:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Contribution to the European Gender Equality Strategy 	Quality contributions submitted on time	100%	Achieved / On track
Contribution to the Report on Demographic Change 	Quality contribution submitted on time	100%	Achieved / On track
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Contribution of the EU Solidarity Fund to the effective response of the COVID-19 health emergency	Applications assessed on time and aid granted	100%	Likely to be achieved but with tolerable delays / shortfalls REGIO processed 22 applications including follow-up, where supplementary information needed. Advance payments were paid to seven Member States on their request. Final payments will follow later in 2021.
Toolkit for integration of people with migrant background	Updated version	1	Likely to be achieved but with tolerable delays / shortfalls The draft text can be only finalized when

the post-2020 proposals are agreed by the co-legislators.

Specific objective 3.5: Urban and territorial development *Related to spending programme(s) ERDF/CF*

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Long-term vision for rural areas 	Quality contributions submitted on time	100%	Achieved / On track


Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
EUI Intervention logic and draft EUI rolling programme consulted with stakeholders	Number of stakeholder events	4	Achieved / On track
Delivery of 2014-20 Urban Innovative Actions	Final Assessment study Evaluation of 5 th call: Number of awarded projects	1 10	Achieved / On track Achieved / On track
Action plans for 2 Urban Agenda partnerships reviewed by Commission services	Number of Commission services' comments submitted	2	Achieved / On track
Terms of reference (ToR) for Transition to Functional Areas project	Number of ToRs prepared	1	Achieved / On track
Action plans implementation monitored for the 4 on-going EU macro regional strategies (for the Baltic Sea, the Adriatic and Ionian, the Danube and the Alpine Regions)	Number of Commission reports and Staff working documents on implementation of macro regional strategies (MSR) adopted.	1+1 4	Achieved / On track Achieved / On track
	Number of MRS Annual fora organised	1	Achieved / On track
	Number of MRS High-Level Group meetings organised		
b-Solutions initiative to remove cross-border obstacles	Number of obstacle cases identified and associated solutions	25	Achieved / On track
Study on cross-border public transport services	Mapping of services and related obstacles	1	Achieved / On track

External communication actions

Output/Result	Indicator	Target	Latest known results (situation on 31/12/2020)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user friendly way	EU in my region Number of events organised	>1,500	Likely to be achieved but with tolerable delays / shortfalls
	Number of visitors	>400,000	Likely to be achieved but with tolerable delays / shortfalls Due to the pandemic, the popular, physical strand of this campaign (opening EU projects to public's visits) could hardly be implemented. Nevertheless, the digital strand of the campaign worked much better.
	RegioStars Number of submitted projects	>120	Achieved / On track
	Improvements of Open Data Platform	3 updates to reflect implementation progress	Achieved / On track Likely to be achieved but with tolerable delays /

		1 creation of a new cohesion policy page	shortfalls Work on the 2021-2027 page is in progress as planned: contracting is ongoing and the page should be operational by summer 2021.
	Smart Regions Reached audience	>5 million	Achieved / On track
	INFORM Number of participants	>400	Achieved / On track
	Youth4Regions Number of applications	>300	Achieved / On track
	Annual Interreg Event (30 years of Interreg) organised Satisfaction survey	>75%	Achieved / On track
	Calls for partnerships with media / academia Number of countries covered	12	Achieved / On track
	Media programmes of the annual fora of the 4 macro- regional strategies Number of journalists attending	>50	Achieved / On track
	Outermost Regions Forum Satisfaction survey	>75%	Achieved / On track

General objective 4: A Stronger Europe in the World			
Specific objective: 4.1 Neighbouring and enlargement		<i>Related to spending programme(s) ...</i>	
Main outputs in 2020:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Interreg NEXT and Instrument for Pre-Accession Assistance (IPA) programmes on EU external borders with enlargement (IPA) and neighbouring countries legislation under the EU Cohesion policy, as well as EU external policy adopted 	Interreg Regulation containing provisions for cooperation on EU external borders with enlargement (IPA) and neighbouring countries adopted	by end 2020	Achieved / On track
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Programming documents to allow the timely preparation and adoption of the territorial cooperation programmes on EU external borders with enlargement (IPA) and neighbouring countries prepared and discussed with MS and partner countries	Draft multiannual strategic programming documents are prepared	2	Likely to be achieved but with tolerable delays / shortfalls The two draft multiannual strategic programming documents could not be prepared due to the delays in adoption of the MFF, of ETC allocations (end of December 2020) and major delays in the programming of NDICI and IPA funds. (15) Achieved / On track (3) Achieved / On track
	Programming papers providing thematic and other orientations for clusters of programmes on EU external borders with enlargement (IPA) and neighbouring countries papers are prepared	15	
	Draft financing	3	

	agreement templates for the partner countries and Russia is initiated		
Specific objective 4.2: Cohesion policy's role in external relations		<i>Related to spending programme(s) ...</i>	
Main outputs in 2020:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Regional and urban policy dialogues with strategic partners	Number of dialogues including policy conclusions	At least 4 dialogues (most likely Japan, China, India, Peru)	Likely to be achieved but with tolerable delays / shortfalls As for all main policy dialogues and political meetings, the obvious main challenge to organise the high-level regional policy dialogues (physical meetings) in 2020 has been the COVID-19 crisis, which forced us to postpone the policy dialogues to 2021. Cooperation / exchanges were kept through REGIO participation in virtual meetings.
Finalisation of an Union for the Mediterranean (UfM) Action Plan on Sustainable Urban Development	Definition of six actions and corresponding means of implementation for coordination and convergence of policy, capacity, implementation and monitoring across the UfM region	Approval at UfM Senior Officials level and deliverable for the UfM Ministerial in 2021	Achieved / On track
Finalisation of the International Urban Cooperation programme (IUC)	Number of city pairings and urban cooperation action plans established and number of inputs on the knowledge sharing platform	85 city pairings & action plans Platform: 18 case studies, 10 newsletters, 6 publications, 9 webinars	Achieved / On track
Launching of 4 city networks on energy transition, circular economy, integration of migrants and refugees, air quality with EU strategic partners	Number of EU and non-EU cities selected	At least 16 EU cities and 16 non-EU cities	Likely to be achieved but with tolerable delays / shortfalls Considering the nature of the intended project (including physical exchange meetings, visits and missions between city representatives) and the COVID19 crisis context, it was decided to postpone the launching of the project to 2021.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user friendly way	What 's NEXT" – ENI CBC annual conference discussing the programming documents for the 2021-2027 future programmes on EU external borders with neighbouring countries	Conference organised, including follow-up actions on the programming	Achieved / On track

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG REGIO - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG REGIO

			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0.00	0.00	0.00 %
Total Title 02			0.00	0.00	0.00 %

Title 04 Employment, social affairs and inclusion					
04	04 02	European Social Fund (ESF)	0.86	0.86	100.00 %
	04 03	Employment, Social Affairs and Inclusion	0.00	0.00	0.00 %
Total Title 04			0.86	0.86	100.00 %

Title 05 Agriculture and rural development					
05	05 04	Rural development	1.00	1.00	100.00 %
Total Title 05			1.00	1.00	100.00 %

Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.24	0.24	100.00 %
Total Title 11			0.24	0.24	100.00 %

Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	13.96	9.10	65.16 %
	13 03	European Regional Development Fund and other regional operations	34,025.91	33,887.07	99.59 %
	13 04	Cohesion Fund (CF)	8,437.83	8,426.37	99.86 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	93.35	93.28	99.92 %
	13 06	Solidarity Fund	1,105.82	1,105.82	100.00 %
Total Title 13			43,676.88	43,521.64	99.64 %

Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.00	0.00	0.00 %
Total Title 18			0.00	0.00	0.00 %

Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.51	0.51	100.00 %
	22 02	Enlargement process and strategy	2.00	2.00	100.00 %
	22 04	European Neighbourhood Instrument (ENI)	174.98	174.98	100.00 %
Total Title 22			177.48	177.48	100.00 %

Total DG REGIO	43,856.46	43,701.22	99.65 %
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* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

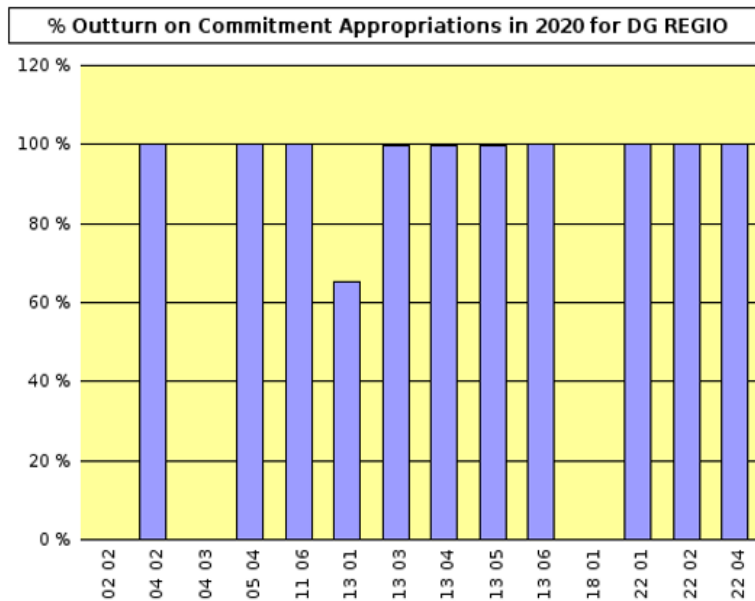


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG REGIO					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0.14	0.14	100.00 %
Total Title 02			0.14	0.14	100.00%
Title 04 Employment, social affairs and inclusion					
04	04 02	European Social Fund (ESF)	0.40	0.40	100.00 %
	04 03	Employment, Social Affairs and Inclusion	0.00		
Total Title 04			0.40	0.40	100.00%
Title 05 Agriculture and rural development					
05	05 04	Rural development	0.21	0.21	100.00 %
Total Title 05			0.21	0.21	100.00%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.47	0.47	100.00 %
Total Title 11			0.47	0.47	100.00%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	19.84	8.24	41.51 %
	13 03	European Regional Development Fund and other regional operations	32,408.76	32,408.75	100.00 %
	13 04	Cohesion Fund (CF)	10,187.48	10,187.48	100.00 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	76.36	76.36	100.00 %
	13 06	Solidarity Fund	1,105.82	1,105.82	100.00 %

Total Title 13			43,798.27	43,786.65	99.97%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.20	0.18	92.69 %
Total Title 18			0.20	0.18	92.69%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.66	0.42	64.13 %
	22 02	Enlargement process and strategy	0.86	0.86	100.00 %
	22 04	European Neighbourhood Instrument (ENI)	148.43	148.43	100.00 %
Total Title 22			149.94	149.71	99.84%
Total DG REGIO			43,949.62	43,937.75	99.97 %

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

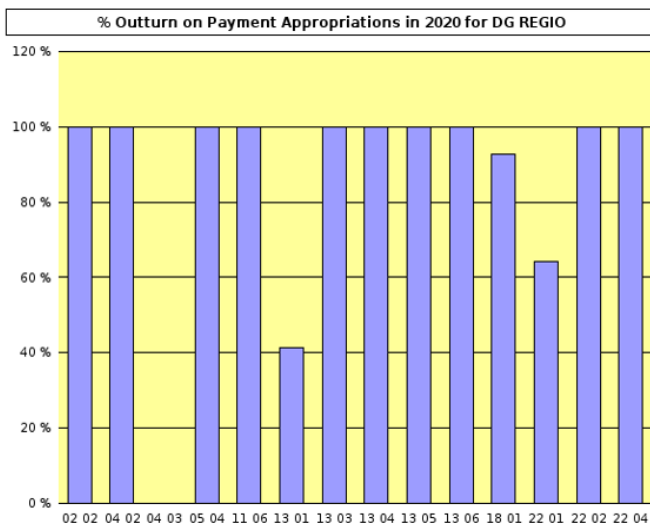


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0.00	0.00	0.00	0.00%	0.05	0.05	0.19
Total Title 02			0.00	0.00	0.00	0.00%	0.05	0.05	0.19

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04 02	European Social Fund (ESF)	0.86	0.04	0.82	95.20%	1.60	2.42	1.96
	04 03	Employment, Social Affairs and Inclusion	0.00		0.00	0.00%	0.01	0.01	0.01
Total Title 04			0.86	0.04	0.82	95.20%	1.61	2.43	1.97

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

05	05 04	Rural development	1.00	0.00	1.00	100.00%	2.83	3.83	3.04
Total Title 05			1.00	0.00	1.00	100.00%	2.83	3.83	3.04

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

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.24	0.06	0.18	75.02%	0.17	0.35	0.58
Total Title 11			0.24	0.06	0.18	75.02%	0.17	0.35	0.58

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

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	9.10	2.76	6.34	69.71%	0.00	6.34	5.88
	13 03	European Regional Development Fund and other regional operations	33,887.07	1,451.08	32,435.99	95.72%	68,576.04	101,012.03	99,832.67
	13 04	Cohesion Fund (CF)	8,426.37	443.02	7,983.34	94.74%	18,847.15	26,830.50	28,602.81
	13 05	Instrument for Pre-Accession Assistance -	93.28	0.00	93.28	100.00%	356.43	449.72	438.50

		Regional development and regional and territorial cooperation							
13	06	Solidarity Fund	1,105.82	1,105.82	0.00	0.00%	0.00	0.00	0.00
Total Title 13			43,521.64	3,002.68	40,518.96	93.10%	87,779.63	128,298.59	128,879.86

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

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.00	0.00	0.00	0.00%	0.00	0.00	0.20
Total Title 18			0.00	0.00	0.00	0.00%	0.00	0.00	0.20

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

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.51	0.27	0.24	46.49%	0.00	0.24	0.15
	22 02	Enlargement process and strategy	2.00	0.00	2.00	100.00%	2.03	4.03	2.88

22 04	European Neighbourhood Instrument (ENI)	174.98	0.29	174.69	99.84%	216.80	391.49	364.94
Total Title 22		177.48	0.56	176.93	99.69%	218.82	395.75	367.98

Total for DG REGIO	43701.21573	3003.34	40697.87992	93.13 %	88003.11037	128700.9903	129253.804
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Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2020 REGIO

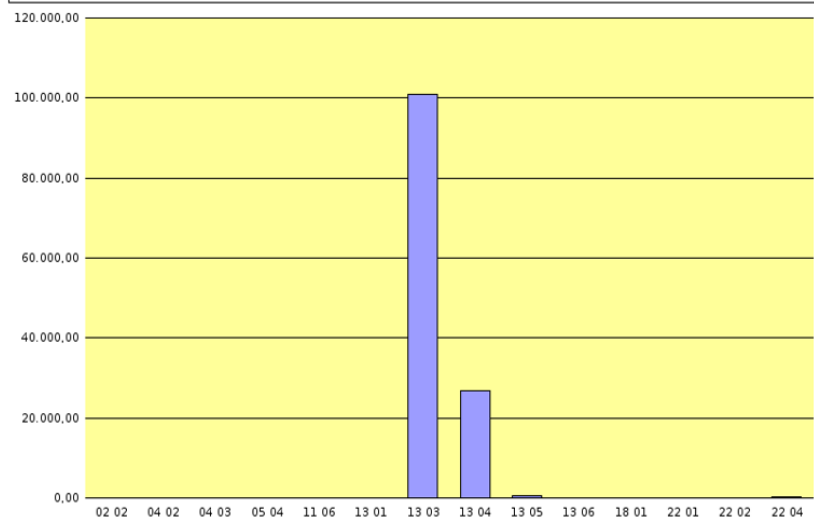


TABLE 4 : BALANCE SHEET for DG REGIO

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	17893540579	12686040796
A.I.1. Intangible Assets	10,669,233.01	11,351,383.51
A.I.5. Non-Current Pre-Financing	17,882,871,345.83	12,674,689,412.37
A.II. CURRENT ASSETS	8664638597	8910125521
A.II.2. Current Pre-Financing	8,243,738,611.43	7,593,072,204.26
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	420,899,985.34	1,317,053,316.62
ASSETS	26558179176	21596166317
P.I. NON CURRENT LIABILITIES		0
P.I.3. Non-Current Financial Liabilities		0.00
P.II. CURRENT LIABILITIES	-18805171223	-15327871267
P.II.4. Current Payables	-10,026,958,127.64	-5,789,517,970.28
P.II.5. Current Accrued Charges & Defrd Income	-8,778,213,095.49	-9,538,353,297.06
LIABILITIES	-18805171223	-15327871267
NET ASSETS (ASSETS less LIABILITIES)	7753007952	6,268,295,049.42
P.III.2. Accumulated Surplus/Deficit	250,689,236,125.33	2.15876E+11
Non-allocated central (surplus)/deficit*	-258,442,244,077.81	-2.22144E+11
TOTAL DG REGIO	0.00	0.00

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG REGIO

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	451581420.3	-915569854
II.1.1. NON-EXCHANGE REVENUES	448590621.8	-923317620.4
II.1.1.5. RECOVERY OF EXPENSES	448,590,621.77	-923,317,620.36
II.1.2. EXCHANGE REVENUES	2990798.49	7747766.38
II.1.2.2. OTHER EXCHANGE REVENUE	2,990,798.49	7,747,766.38
II.2. EXPENSES	41667564683	35728627171
II.2. EXPENSES	41667564683	35728627171
II.2.10. OTHER EXPENSES	10,440,233.81	10,940,083.14
II.2.1. EXP IMPLM BY MEMBER STATES (SHARED)	41,546,721,681.78	35,619,480,474.60
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	81,069,839.69	86,012,610.39
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	1,160,330.31	158,983.09
II.2.5. EXP IMPLM BY OTHER ENTITIES (IM)	28,615,097.86	12,035,019.32
II.2.6. STAFF AND PENSION COSTS	-442,500.00	
STATEMENT OF FINANCIAL PERFORMANCE	42,119,146,103.71	34,813,057,316.56

TABLE 5bis : OFF BALANCE SHEET for DG REGIO

OFF BALANCE	2020	2019
OB.1. Contingent Assets	2782028.22	2376883.01
GR for performance		0.00
GR for pre-financing	2,782,028.22	2,376,883.01
OB.2. Contingent Liabilities	-341140303.7	-341140303.7
OB.2.5. CL legal cases COHESION	-341,140,303.70	-341,140,303.70
OB.2.7. CL Legal cases OTHER	0.00	0.00
OB.3. Other Significant Disclosures	-1.09896E+11	-1.55525E+11
OB.3.2. Comm against app. not yet consumed	-109,896,014,754.08	-113,565,182,844.49
OB.3.3.1 Structural operations	0.00	-41,959,922,074.00
OB.4. Balancing Accounts	1.10234E+11	1.55864E+11
OB.4. Balancing Accounts	110,234,373,029.56	155,863,868,339.18
OFF BALANCE	0.00	0.00

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for REGIO

Legal Times									
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	841	812	96.55 %	16.7487685	29	3.45 %	39.03448276	1557209.21	0. %
45	1	1	100.00 %	13				0	0. %
60	1589	1571	98.87 %	20.8154042	18	1.13 %	85.5	140518994	0. %
90	30	30	100.00 %	58.9666667				0	0. %
180	557	557	100.00 %	13.1543986				0	0. %
195	1	1	100.00 %	13				0	0. %
197	1	1	100.00 %	6				0	0. %
216	2	2	100.00 %	26				0	0. %
239	1	1	100.00 %	48				0	0. %
246	1	1	100.00 %	30				0	0. %
266	1	1	100.00 %	50				0	0. %
272	1	1	100.00 %	41				0	0. %
287	1	1	100.00 %	53				0	0. %
316	1	1	100.00 %	37				0	0. %
344	1	1	100.00 %	9				0	0. %

Total Number of Payments	3029	2982	98.45 %		47	1.55 %		142076203	0. %
Average Net Payment Time	19.28689336			18.695171			56.82978723		
Average Gross Payment Time	32.68867613			31.0620389			135.893617		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	27	1481	48.89 %	3029	35,128,003,522.53	79.95 %	43,936,368,680.36

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG REGIO

Chapter	Revenue and income recognized						Revenue and income cashed from		Outstanding balance
	Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	7=3-6		
	1	2	3=1+2	4	5	6=4+5			
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	310,559,916.09	415,404,692.27	725,964,608.36	306,359,049.24	415,404,692.27	721,763,741.51	4,200,866.85	
65	FINANCIAL CORRECTIONS	11,992,705.66	237,529.39	12,230,235.05	11,992,705.66	237,529.39	12,230,235.05	0.00	
Total DG REGIO		322552621.8	415642221.7	738194843.4	318351754.9	415642221.7	733993976.6	4200866.85	

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020	Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
1998	3	49012.13	3	49012.13	3	49012.13	100.00%	100.00%
2002					1	572950.96		
2007					15	63596180.74		
2008	1	10,853,588.58	1	10853588.58	6	35677937.53	16.67%	39.42%
2010					3	3301080.29		
2014					6	18499434.35		
2015					12	178710544.3		
2016					5	6579124.51		
2018					2	9202799.8		
2019					5	3584625.05		
No Link	5	1090104.95	5	1090104.95	12	2778932.07	41.67%	39.23%
Sub-Total	9	11992705.66	9	11992705.66	70	322552621.8	12.86%	6.44%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS							776	1,560,347,214.86		
CREDIT NOTES							73	1,330,703.11		
Sub-Total							849	1561677918		
GRAND TOTAL	9	20780531.73			9	20780531.73	919	1884230540	0.98%	1.10%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 1/01/2020 for DG REGIO

	Number at 31/12/2020	Number at 1/01/2020	Evolution	Open Amount (Eur) at 31/12/2020	Open Amount (Eur) at 1/01/2020	Evolution
2019		11			415,642,221.66	
2020	5		-100.00 %	4,200,866.85		-100.00 %
	5	11	120.00 %	4,200,866.85	415,642,221.66	9794.20 %

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

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

Number of RO waivers	
----------------------	--

TABLE 11 : Negotiated Procedures in 2020 for DG REGIO

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	0	0,00
Total	0	0,00

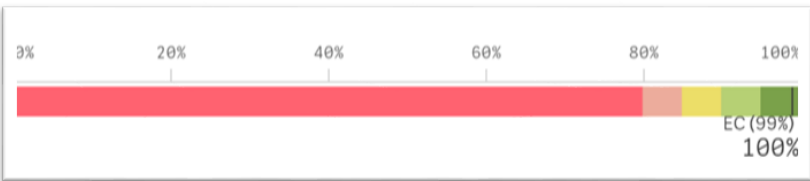
TABLE 12 : Summary of Procedures in 2020 for DG REGIO**Internal Procedures > € 60,000**

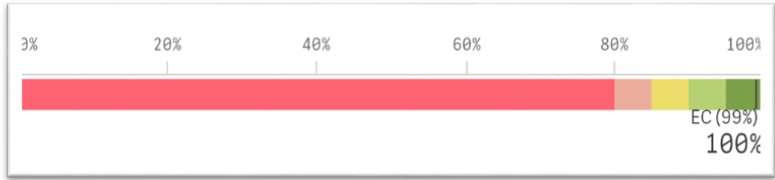
Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	6	710.220,00
Open procedure (FR 164 (1)(a))	9	4.163.460,00
Total	15	4.873.680,00

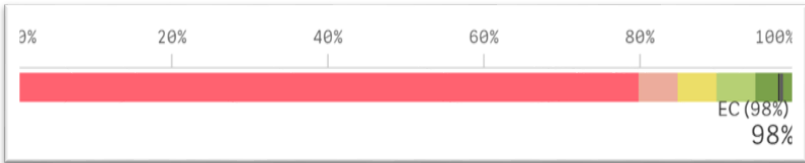
Table 13 : Building Contracts**No data reported****Table 14 : Contracts declared Secret****No data reported****Table 15 : FPA duration exceeds 4 years****No data reported**

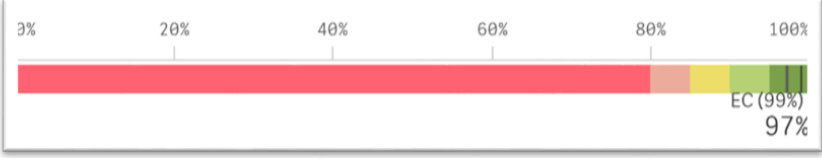
ANNEX 4: Financial Scorecard

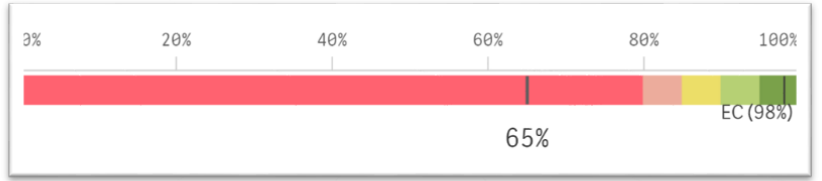
Area	Indicator	Objective	Comment in the Annex?	Comment in the Body?
Budget	CA Implementation	Ensure efficient use of commitment appropriations	Yes, if red	No
	PA Implementation	Ensure efficient use of payment appropriations	Yes, if red	No
	CA Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	Yes, if red	No
	PA Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	Yes, if red	No
Absorption	Global Commitment Absorption	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	Yes, if red	No
Timeliness	Timely Payments	Ensure efficient processing of payments within the legal deadlines	Yes	Yes

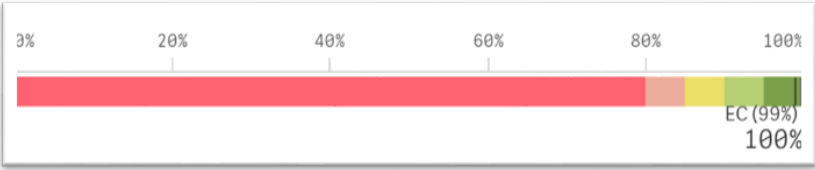
Indicator	CA Implementation
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of commitment appropriations
Result	<p>DG REGIO achieved 100% compared to the EC result of 99%</p> 
Comment	Achieved

Indicator	PA Implementation
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of payment appropriations
Result	DG REGIO achieved 100% compared to the EC result of 99%  <p>A horizontal bar chart with a scale from 0% to 100% in 20% increments. The bar for DG REGIO is red and extends to 100%. The bar for EC is yellow and extends to 99%. The text '100%' is placed at the end of the red bar, and 'EC (99%)' is placed at the end of the yellow bar.</p>
Comment	Achieved

Indicator	CA Forecast Implementation
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
Result	DG REGIO achieved 98% compared to the EC result of 98%  <p>A horizontal bar chart with a scale from 0% to 100% in 20% increments. The bar for DG REGIO is red and extends to 98%. The bar for EC is yellow and also extends to 98%. The text '98%' is placed at the end of the red bar, and 'EC (98%)' is placed at the end of the yellow bar.</p>
Comment	At Commission average

Indicator	PA Forecast Implementation
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the payment implementation with the commitment forecast in a financial year
Result	DG REGIO achieved 97% compared to the EC result of 99% 
Comment	Satisfactory performance

Indicator	Global Commitment Absorption
Category	Efficiency Controls / Absorption
Objective	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
Result	DG REGIO achieved 65% compared to the EC result of 98% 
Comment	DG REGIO does not systematically use a Level 1 commitment, and frequently uses level 2 commitments before signing contracts without a prior level 1 commitment. Therefore, this indicator only captures part of REGIO direct management, including those of our actions which could extend more than one year before being contracted.

Indicator	Timely Payments															
Category	Efficiency Controls / Timeliness															
Objective	Ensure efficient processing of payments within the legal deadlines															
Result	DG REGIO achieved 100% compared to the EC result of 99% 															
Comment	<table border="1"> <thead> <tr> <th>Management mode</th> <th>Payment in 2020 (million EUR)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Direct</td> <td>99</td> <td>0.2%</td> </tr> <tr> <td>Indirect</td> <td>45</td> <td>0.1%</td> </tr> <tr> <td>Shared</td> <td>43,793</td> <td>99.7%</td> </tr> <tr> <td>Total</td> <td>43,937</td> <td>100.0%</td> </tr> </tbody> </table>	Management mode	Payment in 2020 (million EUR)	%	Direct	99	0.2%	Indirect	45	0.1%	Shared	43,793	99.7%	Total	43,937	100.0%
Management mode	Payment in 2020 (million EUR)	%														
Direct	99	0.2%														
Indirect	45	0.1%														
Shared	43,793	99.7%														
Total	43,937	100.0%														

ANNEX 5: Materiality criteria

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

Since 2019¹⁷, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

The implementation of this 'de minimis' threshold applies at the level of the AAR reservations, i.e. not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s). Given the amounts involved, this threshold has no effect on the AAR reservations of REGIO for 2020.

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

➤ The assessment at closure

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

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

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

➤ Materiality criteria and reservations

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

Following the in-depth assessment of closure documents, a non-financial reservation is made for those programmes, where either additional audit work is requested or financial corrections may need to be applied exceeding the retention (5% or less for underspent programmes of the overall allocation made at programme level)¹⁸.

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

¹⁷ Agreement of the Corporate Management Board of 30/4/2019

¹⁸ The decision on whether to issue a reservation will be made taking into account the cumulative residual risk.

To calculate the amount at risk for programmes under reservation, the residual risk rate is applied to the payments made during the year. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure¹⁹. No financial corrections are taken into account for the quantification of the reservation, as the financial corrections already implemented are mainly linked to expenditure declared in previous years. In case of no payments were made during the year, the reservation will be non-financial.

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

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

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

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

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

1. The first element is the **assessment of the effectiveness of management and control systems**, carried out by the audit directorate based on all information available (i.e. opinion issued by the audit authority on the management and control systems, total error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with programme authorities).
2. The second element is the **assessment of legality and regularity of expenditure**, as reflected in the residual total error rate reported by the audit authorities in their annual control reports (ACR). The residual total error rate is the best indicator of the corrective capacity of the programme's management and control system and represents the remaining risk present in the amounts certified in the accounts taking into account the already applied financial corrections.

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

- Total Error Rates and Residual Total Error Rates for the accounting year 2018-2019 are confirmed which take into account all available information and audit results assessed through desk review and, where necessary and conclusions are already available, risk-based on the spot compliance audits. Following the 2014-2020 legal framework, the Commission can in subsequent years (during the documents retention period of at least three years after the accounts were accepted) continue to carry out on the spot audits to address specific risks or programmes.
- In relation to the Total Error Rates and Residual Total Error Rates for the accounting year 2019-2020 communicated by the audit authorities by 1st March 2021, a first preliminary consistency review is carried out to identify potential inconsistencies or clerical mistakes. The

¹⁹ i.e. paid in the relevant year in relation to the concerned sub-programme

resulting adjusted total error rates and residual total error rates are disclosed in Annex 7 B of the AAR for information purposes and to identify the need to issue additional reservations. If no error rates are reported by the audit authorities or reported error rates are not considered reliable at this stage, the Directorate General uses flat rates instead.

➤ **Materiality criteria and reservations**

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

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

As a general rule, a programme will be put under reservation if at least one of the following conditions applies, based on the 2019/2020 assurance packages received by 1 March 2021:

- a total error rate above 10%
- deficiencies in key elements of the systems, which could result in/lead to irregularities above 10% and for which no adequate corrective measures to remedy the deficiencies have yet been implemented;
- a residual total error rate above 2%;
- material issues concerning the completeness, accuracy and veracity of the accounts.

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

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

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

The programmes are classified in four categories:

▪ **Programmes not in reservation:**

- **Reasonable assurance** means that there is no material deficiency affecting key elements of the systems (only minor improvements may be needed in some cases) and there are no material issues concerning either legality and regularity of expenditure (residual total error rate <2%) or the accounts;
- **Reasonable assurance with low risk** of irregularities covers programmes with the existence of some deficiencies in key elements of the systems without material impact on

the EU Budget; and where there are no material issues with either the legality and regularity of the expenditure (residual total error rate < 2%) or the accounts;

- **Limited assurance with medium risk** of irregularities covers programmes with deficiencies in key elements of the systems with no material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and where adequate financial corrections have been implemented).

▪ **Programmes in reservation:**

- **Limited assurance with medium risk** of irregularities covers:
 - programmes with deficiencies in key elements of the systems with a material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and where no adequate financial corrections have been implemented yet); and/or
 - programmes with material legality and regularity issues and insufficient financial corrections implemented ("residual total error rate" remains above 2%); and/or
 - programmes with material issues concerning the completeness, accuracy and veracity of the accounts.
- **Limited assurance with high risk** of irregularities covers:
 - programmes with widespread deficiencies in key elements of the systems with a material risk for the EU budget (e.g. programme with a total error rate above 10% and no adequate corrective measures to remedy the deficiencies have yet been implemented); and/or
 - programmes with widespread material legality and regularity issues and insufficient financial corrections implemented ("residual total error rate" remains above 2%); and/or
 - programmes with widespread material issues concerning the completeness, accuracy and veracity of the accounts.

For the calculation of the amounts impacted by a reservation, the reportable residual error rate for the 2019/2020 accounts is applied to the 2020 relevant expenditure of the programmes concerned.

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

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

The **amount at risk at payment** is calculated by applying the KPI 5 (weighted residual total error rate of the accounting year 2018-2019 as confirmed by the Commission services²⁰) to the "relevant expenditure" of the Commission reporting year (i.e. payments made during 2020, after excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus

²⁰ After neutralizing the impact of the advances paid into financial instruments and included in the sample of audit authorities based on declared expenditure (in line with Article 127 CPR)

the retentions released and any deductions applied in the accounts covering the expenditure of the period 1st July 2019 to 30th June 2020).

The **amount at risk at closure** indicates the remaining risk to the 2020 relevant expenditure once the Commission will apply the financial corrections that it considers necessary to bring the confirmed total residual error rates for all programmes down to 2%. REGIO has been able to identify for which programmes additional financial corrections will be required upon finalisation of the ongoing audit contradictory procedures for the accounting year 2018-2019.

For direct and indirect management

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

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

ANNEX 6: Relevant Control Systems for budget implementation (RCSs)

Shared Management

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

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

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

- The annual cost of audit work (internal team and outsourced contract) which covers the assessment by the Commission of management and control systems in Member States.
- The annual costs of Commission staff which carries out controls throughout the different design, implementation and monitoring phases.

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

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

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

Main risks	Mitigating controls	Coverage frequency and depth	Cost-Effectiveness indicators
The programmes financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each programme. Inter-service consultation (including all relevant DGs) Adoption by Commission Decision, where foreseen by EU law.	Coverage / Frequency: 100%. Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and Country Specific Recommendations.	Effectiveness: - % of programmes adopted/ approved Benefits: adopted programmes focus on challenges Member States and regions are facing (as identified in European Semester) and have a clear intervention logic, allowing the Commission to evaluate their impact [<i>non-quantifiable individually</i>] Efficiency: - average time to adopt/ approve an programme ²¹ Economy (costs): estimation of cost of staff involved in the validation of the programmes put forward by the Member States.

Stage 2 – Implementation of operations (Member States):

A. Setting up of the systems

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
The process of designation of national authorities in the Member States is not effective and, as a result, the management and control systems are	Supervision by Commission (for 2014-2020): - Commission review (and audits) of a sample of national designations - submission of Member States' Audit Strategies	Coverage / Frequency: fixed in sector-specific rules Depth: verification (desk review + audit missions where necessary) of description of management and control systems communicated by Member States. Designation audits are	For 2014-2020: Effectiveness: - % of authorities designated Benefits: (part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems (for 2014-2020) [not quantifiable]

²¹ Impacted by the time required by Member States to react

not compliant with the applicable rules.	to the Commission (on request)	generally done on the spot.	Efficiency: - number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked) Economy (costs): estimation of cost of COM staff involved in the audits of samples of national designations
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B. Member States controls to prevent detect and correct errors within the declared certified expenditure

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
Periodic expenditure declarations submitted to the Commission include expenditure, which is irregular or non-compliant with EU and/or national eligibility rules and legislation.	Management verifications: first level checks by Managing Authorities (MA). Certification, audit opinion and annual report by the relevant authorities designated/accredited.	Coverage: fixed in sector-specific rules Depth: - <u>management verifications</u> : performance of first-level checks (administrative and on the spot controls). - <u>certification</u> : additional verification (desk checks & on the spot). - <u>audit opinion</u> : system audits on the checks already carried out, where necessary with re-performance of on-the-spot checks; where applicable, audits of operations (on a statistical basis) and additional substantive testing on expenditure.	Effectiveness: error rates as reported by the Member States, annual audit opinions (or certificate opinions) of the Member States, Member States' recoveries (if applicable) Efficiency: time to lift interruption of payments ²²

Stage 3 – Monitoring and supervision of the execution, including ex-post control

Main control objectives: ensuring that the expenditure reimbursed from the EU budget is eligible and regular

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
<p>The management verifications and subsequent audits/controls by the Member States have failed to detect and correct ineligible costs or calculation errors.</p> <p>The audit work carried out by the audit/certifying authorities is not sufficient to obtain adequate assurance on the submitted declarations.</p> <p>The Commission services have failed to take appropriate measures to safeguard EU funds, based on the information it received.</p>	<p>Commission checks of periodic Member States' expenditure declarations. Commission assessment of management and control systems in the Member States, in particular of work done and/or reported by the Audit Authorities, namely:</p> <ul style="list-style-type: none"> - assessment of Annual Control Reports / Annual Audit Opinion - calculation of projected error rate - estimation of a residual error rate (RER) - assessment of systems audits reports from AA - assessment of annual summaries - own Commission audits - technical and bilateral meetings with Member States <p>Interruptions and suspensions of payments Financial corrections (implemented by MS resulting from Commission audit work)</p>	<p>Coverage: verification of information provided in the annual control reports and annual audit opinions. Depth: desk checks and/or on-the-spot audits based on risk assessment; verification of the quality and reliability of the information based on Commission's own audit work; 'validation' and where necessary adjusting of error rates reported by Member States to calculate a cumulative residual error risk (RER);</p> <p><i>[at closure: where applicable scrutiny of closure report and closure opinion, if needed with audits on sample of programmes]</i></p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - cumulative residual risk (EU and per Member State) - number of programmes with a reported error rate assessed as reliable (unchanged or re-calculated) - Number and amount of interruptions / suspensions of payments - corrections made resulting from Commission audit work (decided and implemented) - % of the expenditure for which the Commission can rely on the work of the AA (based on ACRs unchanged or adjusted exchange rates) - weighted average error rate after Commission analysis <p>Benefits: errors prevented [<i>unquantifiable</i>], errors detected or corrected (amount of financial corrections); the impact of the Commission's adjustments made on the error rates reported by the Member States following its own audit work and the total amount of expenditure for which the Commission has assurance</p> <p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to Member States within 2 months - % suspensions of payments notified to Member States within 6 months <p>Economy (costs): cost of Commission staff checking Member States expenditure (financial circuits); estimation of cost of Commission staff involved in the assessment of management and control systems in Member States, including analysis of Annual Control Reports / Annual Audit Opinion, own audit work, and drafting of interruption/suspension/financial correction letters</p>

²² impacted by the complexity of the issues and the time required by MS to react.

ANNEX 7: Specific ANNEX related to "Financial Management"

ANNEX 7A: 2014-2020 ERDF / CF programmes: brief introduction to shared management and architecture for building assurance

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

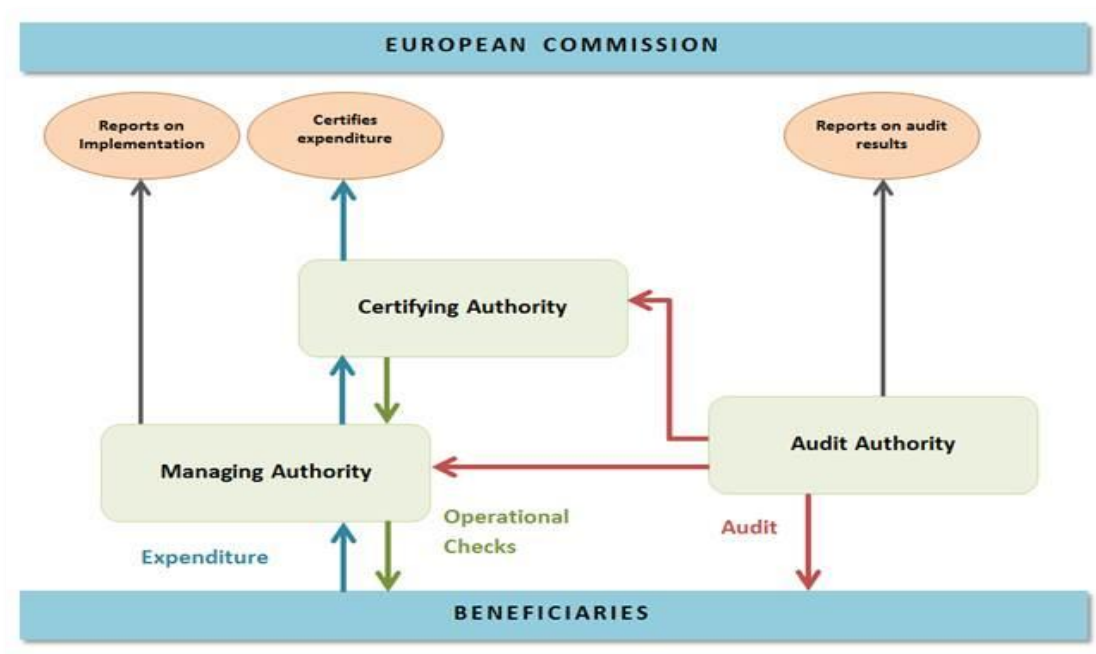
- the Commission negotiates and approves programmes proposed by EU Member States, and allocates resources accordingly;
- the EU Member States / regions manage the programmes, implement them by selecting projects, follow their implementation and perform controls;
- the Commission is involved in programme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

For each programme, the national authority appoints:

- a **managing authority** (national, regional or local public authority or public/private body to manage the programme);
- a **certifying authority** (national, regional or local public authority or body to prepare payment applications and to certify the accounts to the Commission);
- an **audit authority** (national, regional or local public authority or body to oversee the efficient functioning of the management and control system and to provide yearly professional, independent audit opinions to the Commission).

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

Graph 1: Assurance architecture for shared management

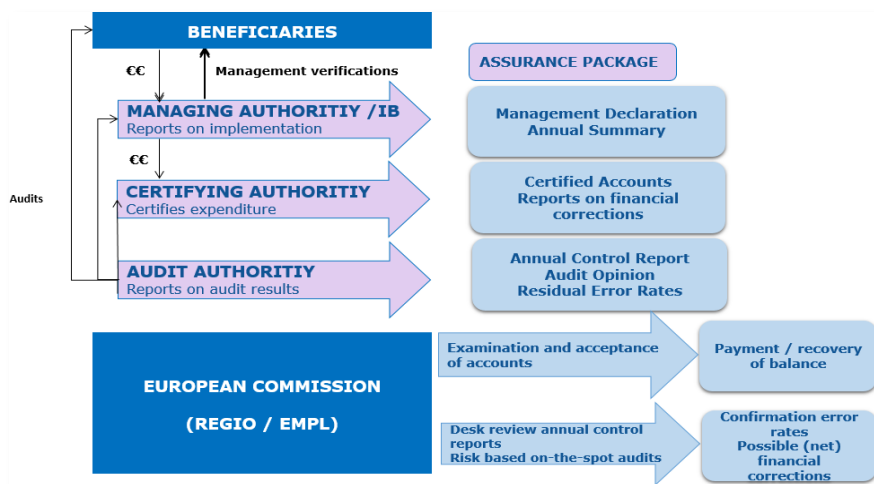


The Regulation for the 2014-2020 programming period introduces some major changes compared to the previous ones:

- the Commission shall reimburse as interim payments 90% of the amount resulting from applying the co-financing rate to the eligible expenditure included in a payment application;
- in addition to the initial pre-financing, an annual pre-financing is paid before 1 July in the years 2016 to 2023;
- annual accounts have to be set up by the certifying authorities for each programme covering the period from 1 July to 30 June;
- an assurance package must be provided each year by 15 February by the national/regional authorities from 2016 until and including 2025, containing:
 - Management Declaration and Annual Summary, prepared by the Managing Authority;
 - Certified Accounts, prepared by the Certifying Authority;
 - Annual Control Report and Audit Opinion, prepared by the Audit Authority, based on the main findings of the system audits carried out on the functioning of the management and control system and on an appropriate sample of operations based on the declared expenditure, as well as on the accounts prepared by the certifying authority.
- By 31 May, the Commission shall carry out an examination of the assurance package and shall accept the accounts where it is able to conclude that the accounts are complete, accurate and true. If the accounts are accepted, the Commission shall pay/recover the balance within 30 days taking into account the amount declared in the annual accounts, the interim payments made during the reference period and clearing of the annual pre-financing. In justified cases, the Commission will not accept the accounts triggering a contradictory procedure with the Member State. By 30 June year, N+1 for the major part of programmes a payment/recovery of the balance is made.

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

Graph 2: Control system



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

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

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

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

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

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

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

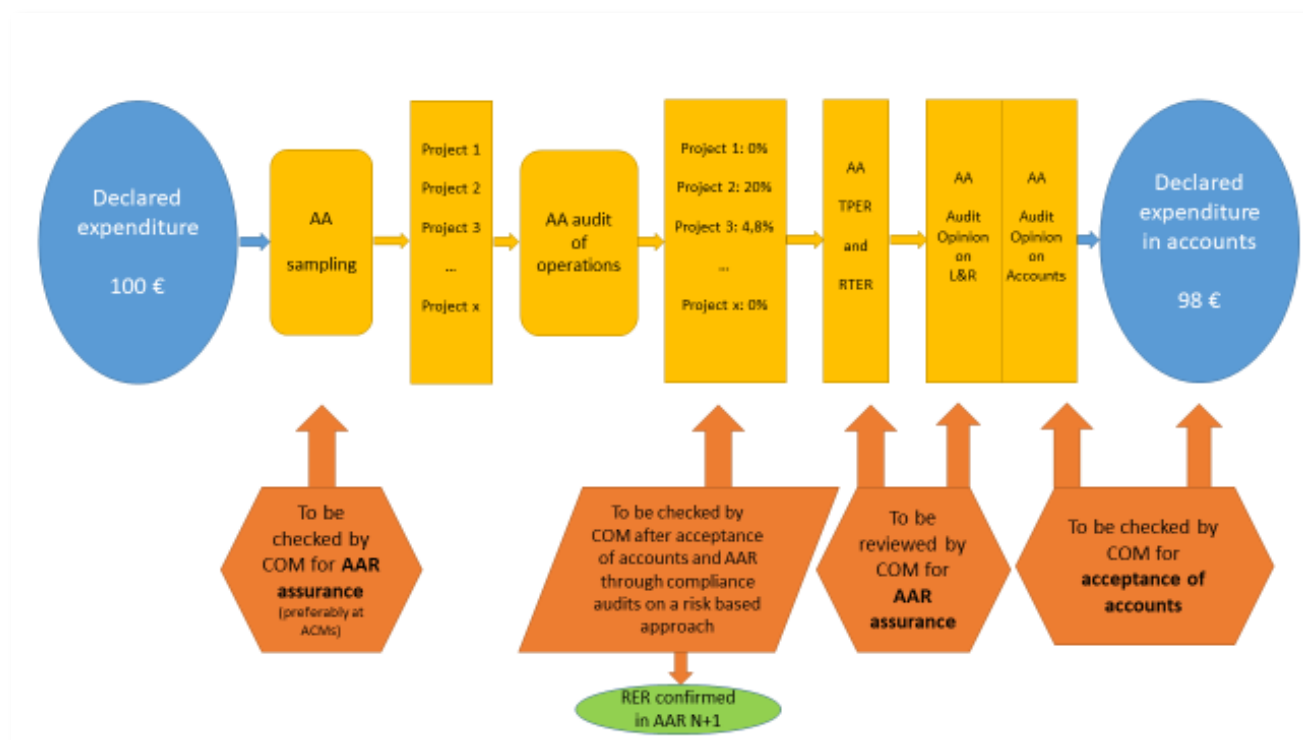
The Managing Authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial corrections including flat rates corrections. It draws up the management declaration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

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

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

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

Graph 3: Annual assurance package and audits of operations



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

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

- Audit authorities' work and results on both systems and operations, reported to REGIO throughout the year (systems audit reports) or at year end (annual control reports and audit opinions);
- REGIO's desk and on-the-spot review of the work of audit authorities;
- REGIO's on-the-spot system audits including at the level of operations where necessary;
- Relevant audit information received from other ESIF directorates general (EMPL, MARE and possibly AGRI);
- Audits from the European Court of Auditors;
- OLAF final case reports.

b) Any other source of information, formal or informal, acquired by the geographical units in the context of their day-to-day management of the programmes are also contributing to the assurance process, for example:

- Annual Implementation Reports from the Member States;
- Monitoring committees and annual meetings;

- Contacts with regional and national programme managers.

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

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

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

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

1. first a **desk review for the acceptance of accounts** and preliminary consistency checks of the reported total error rates and audit opinions for the assurance declaration in the AAR,
2. followed by a **thorough desk review of the Annual Control Reports**, audit opinions and error rates reported (ending after finalisation of the AAR) and,
3. as a consequence of the thorough desk review, for a number of programmes / audit authorities for which specific risks have been identified, **on-the-spot compliance audits** to re-perform the work done by the audit authorities.

3. Calculation of the risk at payment and residual total error rates

The process for the confirmation of the residual total error rates and the calculation of the risk to the relevant expenditure in 2020 is performed as follows:

- The Directorate General reports in this AAR its assessment of the reliability of residual total error rates reported for the **accounting year 2018-2019** (amounts certified and cleared in 2020). It confirms, where possible, individual rates per programme and the resulting average after the whole control process at national and Commission levels has been performed.
 - ✓ This average residual total error rate for 2018-2019 accounts represents the most relevant key performance indicator of the overall residual risk for year 2020 to the underlying programmes expenditure. It is reported as **KPI 5 in the AAR**²³.
 - ✓ Reported total and residual error rates for individual programmes are confirmed considering all available audit information, following a two-stage audit process:

²³ After neutralising the impact of advances paid into financial instruments included (in line with Article 127 CPR) in the samples of audit authorities based on declared expenditure, as per the ECA recommendation.

1) a thorough desk review of all programmes (resulting, where relevant, in an assessment letter with recommendations), completed where needed by extended desk work²⁴ and/or fact finding missions; 2) followed for programmes at risk, by on-the spot compliance audits (to re-perform audits reported by audit authorities to validate their results). This process may lead to a confirmation or a re-calculation of the programme's residual total error rate for the accounting year at stake.

- ✓ Where contradictory procedures for compliance audits are still ongoing at the moment of the adoption of this AAR, a prudent approach is taken when re-calculating the residual total error rates, i.e. using the most conservative results at that stage of the audit process; in some cases a flat rate is used (see Annex 7B). For the concerned programmes REGIO may still further adjust downwards the residual total error rates upon completion of the contradictory procedure with the Member State (after signature of the AAR).
- ✓ A similar approach is taken for ECA's preliminary results on the 2018-2019 assurance packages, pending the results of the on-going contradictory procedure.
- ✓ As a complement to KPI 5, REGIO is also estimating **a prudent maximum residual error rate** to take into account potential additional risks for some programmes, estimated at flat rate²⁵.

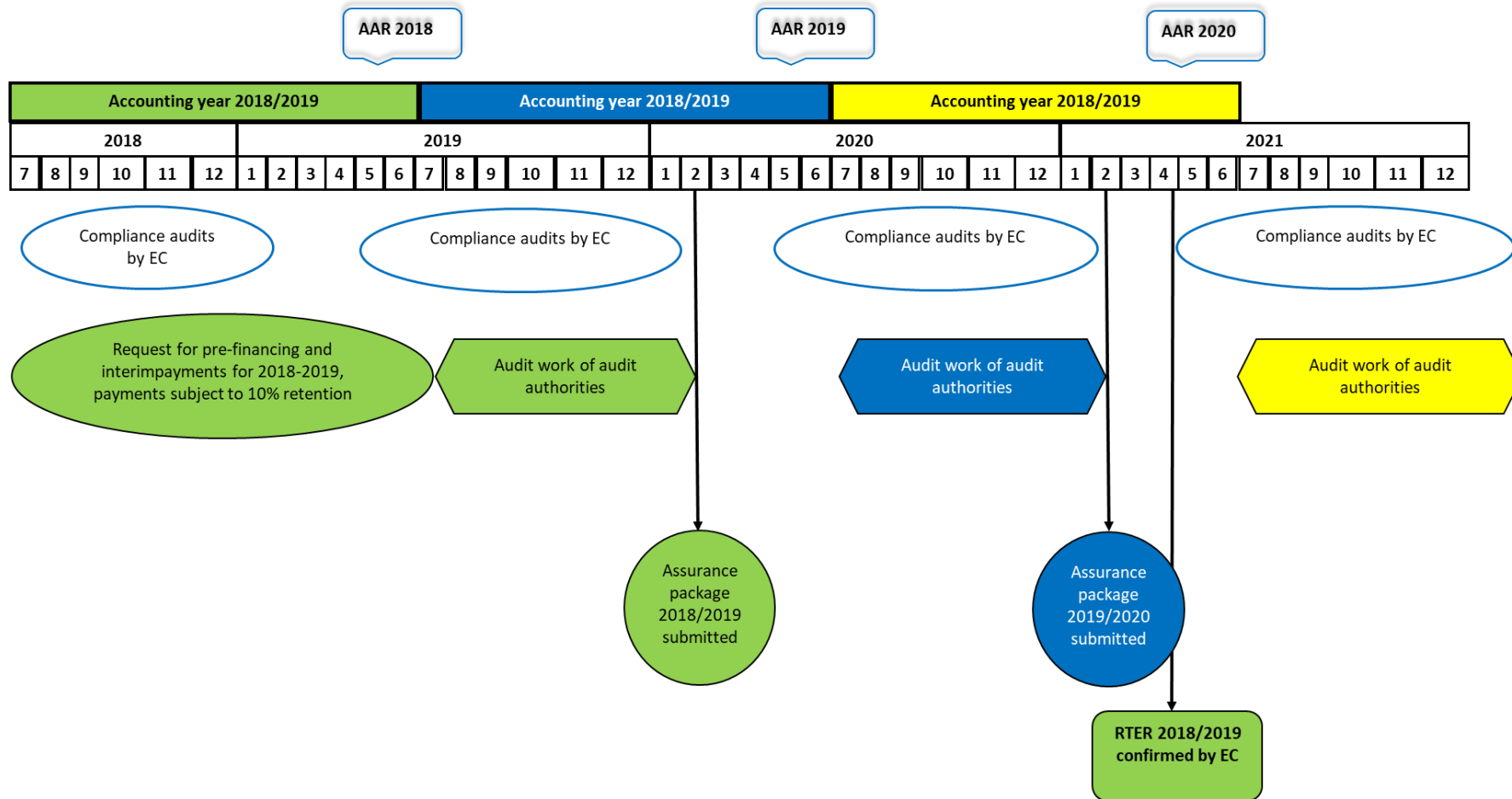
When the Commission, through its desk review and on-the-spot compliance audits, still identifies further irregularities in the accepted accounts, it launches **financial correction procedures** which are net when the criteria in Article 145 (7) of Regulation (EC) 1303/2013 are fulfilled.

The graph below illustrates how REGIO assesses the certified expenditure:

²⁴ E.g. a desk review of samples of underlying control reports obtained from audit authorities on request, when doubts occur.

²⁵ Namely to consider additional risks that may be present in that part of the audit sample of the audit authority that was not covered by the Commission services' audits, as well as additional risks identified during the Commission services' desk reviews or during ECA audits but not yet communicated.

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



ANNEX 7B:

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

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA): Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2017-2018	Accounting year 2018-2019			Accounting year 2019-2020		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
AT	2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds	Y	0,56%	10,30%	2,85%	2,76%	4,72%	1,99%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2% in case the individual corrections following the EC audit are not sufficient
BE	2014BE16RFOP001	OP Brussels Capital Region	Y	1,35%	3,81%	0,00%	0,00%	0,90%	0,00%	
BE	2014BE16RFOP002	OP Flanders	N	2,26%	0,97%	0,63%	0,63%	6,86%	2,00%	TER reported for 2019-2020 >5%. Warning of corrective measures will be issued to improve the functioning of the MCS
BE	2014BE16RFOP003	OP Wallonia	Y	3,04%	3,09%	1,29%	1,37%	0,24%	0,22%	
BG	2014BG05M2OP001	Operational Programme Science and Education for Smart Growth	Y	0,29%	0,96%	0,51%	0,51%	2,00%	2,00%	
BG	2014BG16M1OP001	Operational programme "Transport and transport infrastructure"	Y	0,23%	1,25%	0,00%	0,00%	0,00%	0,00%	
BG	2014BG16M1OP002	Operational programme "Environment"	Y	0,00%	1,48%	1,09%	1,37%	2,00%	2,00%	
BG	2014BG16RFOP001	Operational programme "Regions in Growth"	Y	0,97%	1,85%	1,23%	1,23%	2,43%	1,91%	
BG	2014BG16RFOP002	Operational programme "Innovations and Competitiveness"	Y	1,22%	4,20%	1,99%	1,99%	0,90%	0,77%	
BG	2015BG16RFSM001	Operational Programme under the SME Initiative <small>(Note 1)</small>	Y	-	-	-	-	-	-	
CY	2014CY16M1OP001	Competitiveness and sustainable development	Y	0,10%	0,08%	0,02%	0,02%	0,13%	0,09%	
CZ	2014CZ05M2OP001	OP Research, Development and Education	Y	0,18%	0,42%	0,40%	0,40%	0,21%	0,20%	
CZ	2014CZ16CFTA001	Technical assistance	Y	0,45%	0,13%	0,08%	0,08%	0,00%	0,00%	
CZ	2014CZ16M1OP001	Transport	Y	0,93%	0,39%	0,34%	0,34%	0,00%	0,00%	
CZ	2014CZ16M1OP002	Environment	Y	0,16%	0,87%	0,85%	0,85%	1,77%	1,71%	
CZ	2014CZ16M2OP001	OP Prague – Growth Pole	Y	0,00%	0,10%	0,10%	0,10%	0,70%	0,61%	
CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	N	7,80%	5,70%	0,94%	1,03%	4,21%	3,82%	RTER 2019-2020 >2% based on the amounts reported by the AA in the ACR2021. Financial correction procedure will be initiated after assessing the reasons why the programme did not agree to apply additional corrections to reduce the RTER to 2%
CZ	2014CZ16RFOP002	Integrated Regional Operational Programme	Y	0,27%	1,19%	1,43%	1,43%	0,48%	0,47%	
DE	2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020	Y	4,89%	0,70%	0,31%	0,34%	1,60%	1,14%	
DE	2014DE16RFOP001	OP Baden-Württemberg ERDF 2014-	Y	2,61%	2,00%	2,00%	2,00%	3,52%	0,97%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
		2020								
DE	2014DE16RFOP002	OP Bayern ERDF 2014-2020	Y	3,03%	1,28%	0,87%	1,08%	1,57%	1,11%	
DE	2014DE16RFOP003	OP Berlin ERDF 2014-2020	Y	3,58%	0,80%	0,13%	0,19%	1,43%	0,91%	
DE	2014DE16RFOP004	OP Brandenburg ERDF 2014-2020	Y	1,57%	5,00%	5,00%	5,00%	2,00%	2,00%	Flat rate applied for 2018-2019 as ongoing contradictory procedure following fact finding mission in Jan 2020. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%
DE	2014DE16RFOP005	OP Bremen ERDF 2014-2020	Y	0,00%	0,80%	0,06%	0,06%	4,55%	0,23%	
DE	2014DE16RFOP006	OP Hamburg ERDF 2014-2020	Y	1,41%	0,08%	0,00%	0,00%	0,49%	0,00%	
DE	2014DE16RFOP007	OP Hessen ERDF 2014-2020	Y	1,00%	1,32%	0,70%	0,70%	0,93%	0,00%	
DE	2014DE16RFOP008	OP Mecklenburg-Vorpommern ERDF 2014-2020	Y	2,05%	0,85%	0,63%	0,65%	1,41%	0,16%	
DE	2014DE16RFOP009	OP Nordrhein-Westfalen ERDF 2014-2020	Y	1,56%	0,60%	0,56%	0,56%	0,67%	0,56%	
DE	2014DE16RFOP010	OP Rheinland-Pfalz ERDF 2014-2020	Y	0,00%	0,70%	0,68%	0,72%	0,00%	0,00%	
DE	2014DE16RFOP011	OP Saarland ERDF 2014-2020	Y	1,35%	3,49%	1,57%	2,71%	0,52%	0,00%	MCS in category 2 except for weaknesses at the level of the IB - Referat F3 in the Ministry of the Economy (MWAEV)
DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	N	7,30%	2,94%	2,32%	2,42%	1,37%	1,19%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
DE	2014DE16RFOP013	OP Sachsen-Anhalt ERDF 2014-2020	Y	5,53%	0,91%	0,01%	0,01%	4,96%	2,00%	
DE	2014DE16RFOP014	OP Schleswig-Holstein ERDF 2014-2020	Y	4,35%	1,57%	0,20%	0,27%	0,69%	0,18%	
DE	2014DE16RFOP015	OP Thüringen ERDF 2014-2020	Y	1,76%	4,61%	2,63%	4,12%	0,35%	0,12%	Ongoing contradictory procedure following revision of RTER>2% by EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
DK	2014DK16RFOP001	Innovation and Sustainable Growth in Businesses. National Programme for the European Regional Fund – 2014-2020	Y	0,98%	2,06%	1,89%	1,89%	1,20%	0,84%	
EE	2014EE16M3OP001	Operational Programme for Cohesion Policy Funding 2014-2020	Y	0,73%	0,94%	0,80%	0,80%	0,75%	0,67%	
ES	2014ES16RFOP002	Multiregional OP for Spain ERDF 2014-20	Y	5,00%	5,00%	5,00%	5,00%	2,32%	2,15%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER2019-2020 down to 2%. MCS in category 2 except for weaknesses at the level of IB ADIF (PA 7)
ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	N	4,41%	5,00%	5,00%	5,00%	15,36%	1,14%	Ongoing contradictory procedure. Once finalised and,

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				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%. TER 2019-2020 above 10%. MCS not functioning due to weaknesses at the level of the MA.
ES	2014ES16RFOP004	Aragón ERDF 2014-20 OP	Y	-	2,00%	2,00%	2,00%	0,01%	0,01%	
ES	2014ES16RFOP005	Asturias ERDF 2014-20 OP	Y	3,41%	2,00%	2,00%	2,00%	2,00%	2,00%	
ES	2014ES16RFOP006	Baleares ERDF 2014-20 OP	Y	2,31%	2,00%	2,00%	2,00%	3,36%	3,36%	RTER 2019-2020 above 2%. Financial corrections will be applied to bring RTER 2019-2020 down to 2%
ES	2014ES16RFOP007	Canary Islands ERDF 2014-20 OP	Y	13,04%	5,00%	5,00%	5,00%	2,86%	0,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP008	Cantabria ERDF 2014-20 OP	Y	3,14%	5,00%	5,00%	5,00%	0,16%	0,15%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP009	Castilla y León ERDF 2014-20 OP	Y	-	2,00%	2,00%	2,00%	0,75%	0,74%	
ES	2014ES16RFOP010	Castilla-La Mancha ERDF 2014-20 OP	Y	7,54%	5,00%	5,00%	5,00%	1,18%	1,14%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP011	Cataluña ERDF 2014-20 OP	N	0,00%	10,00%	5,00%	5,00%	45,76%	45,76%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%. For 2019-2020: TER above 10%, RTER above 2%. MCS is not functioning due to weaknesses at the level of the AA (audit of operations not completed).
ES	2014ES16RFOP012	Ceuta ERDF 2014-20 OP	Y	-	15,00%	2,00%	2,00%	3,75%	3,75%	RTER 2019-2020 above 2%. Financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP013	Comunidad Valenciana ERDF 2014-20 OP	Y	-	20,00%	10,00%	10,00%	2,60%	2,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP014	Extremadura ERDF 2014-20 OP	N	1,25%	10,00%	2,00%	2,00%	0,72%	0,60%	MCS not functioning well. Ongoing corrective measures.
ES	2014ES16RFOP015	Galicia ERDF 2014-20 OP	Y	4,49%	2,00%	2,00%	2,00%	2,17%	2,10%	RTER 2019-2020 above 2%. Financial corrections will be applied to bring RTER 2018-2019 down to 2%.
ES	2014ES16RFOP016	La Rioja ERDF 2014-20 OP	Y	4,06%	2,00%	2,00%	2,00%	0,34%	0,34%	
ES	2014ES16RFOP017	Madrid ERDF 2014-20 OP	Y	-	15,00%	5,00%	5,00%	2,40%	2,40%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and 2019-2020 which are above 2% down to 2%.
ES	2014ES16RFOP018	Melilla ERDF 2014-20 OP	Y	-	2,00%	2,00%	2,00%	0,00%	0,00%	
ES	2014ES16RFOP019	Murcia ERDF 2014-20 OP	N	0,00%	2,00%	2,00%	2,00%	5,00%	-	Warning of corrective measures if after the contradictory procedure the RTER is confirmed for

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										2019-2020 >5%.
ES	2014ES16RFOP020	Navarra ERDF 2014-20 OP	Y	0,26%	2,00%	2,00%	2,00%	0,00%	0,00%	
ES	2014ES16RFOP021	Pais Vasco ERDF 2014-20 OP	Y	0,80%	5,00%	2,00%	2,00%	1,96%	0,51%	
ES	2014ES16RFSM001	SME Initiative ERDF 2014-20 OP ^(Note 1)	N	-	0,00%	0,00%	0,00%	0,00%	0,00%	ECA audits revealed the existence of deficiencies in key elements of the systems with material impact.
FI	2014FI05M20P001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020	Y	1,49%	0,00%	0,00%	0,00%	0,00%	0,00%	
FI	2014FI16M20P001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	Y	0,67%	1,31%	1,29%	1,29%	0,60%	0,59%	
FI	2016FI16RFSM001	SME Initiative: Finnish guarantee scheme to improve access to finance for high-growth firms ^(Note 1)	Y	-	-	-	-	-	-	
FR	2014FR05M00P001	Operational Programme ERDF-ESF ile-de-France et Seine 2014-2020	Y	36,10%	-	-	-	5,28%	2,00%	
FR	2014FR05M20P001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	Y	11,50%	2,19%	1,88%	1,88%	0,63%	0,54%	
FR	2014FR16M00P001	Regional programme Aquitaine 2014-2020	Y	3,64%	7,29%	2,00%	2,00%	3,95%	2,00%	
FR	2014FR16M00P002	Regional programme Auvergne 2014-2020	Y	3,13%	18,21%	1,59%	1,59%	3,80%	1,59%	
FR	2014FR16M00P003	Regional programme Centre 2014-2020	Y	3,35%	2,69%	2,00%	2,00%	1,25%	1,19%	
FR	2014FR16M00P004	Regional programme Champagne-Ardenne 2014-2020	Y	4,83%	1,33%	0,83%	0,83%	0,52%	0,47%	
FR	2014FR16M00P005	Regional programme Haute-Normandie 2014-2020	Y	2,98%	5,99%	2,00%	2,39%	0,13%	0,07%	
FR	2014FR16M00P006	Regional programme Languedoc-Roussillon 2014-2020	Y	1,99%	5,71%	2,00%	2,05%	2,56%	1,90%	
FR	2014FR16M00P007	Regional programme Midi-Pyrénées et Garonne 2014-2020	Y	1,04%	5,71%	2,00%	2,05%	2,56%	1,90%	
FR	2014FR16M00P008	Regional programme Picardie 2014-2020	Y	5,34%	0,96%	0,65%	0,65%	2,46%	2,00%	
FR	2014FR16M00P009	Regional programme Guadeloupe Conseil Régional 2014-2020	N	0,38%	2,22%	1,37%	1,37%	10,28%	2,00%	TER 2019-2020 above 10%. MCS not functioning due to weaknesses at the level of the MA.
FR	2014FR16M00P011	Regional programme Martinique Conseil Régional 2014-2020	Y	9,22%	1,09%	0,87%	0,87%	0,72%	0,54%	
FR	2014FR16M00P012	Regional programme Nord-Pas de Calais 2014-2020	Y	0,59%	0,96%	0,65%	0,65%	2,46%	2,00%	
FR	2014FR16M00P013	Regional programme Provence Alpes	Y	1,31%	7,03%	2,00%	2,19%	1,20%	1,03%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
		Côte d'Azur 2014-2020								
FR	2014FR16M00P014	Regional programme Bourgogne 2014-2020	Y	4,26%	6,60%	2,00%	2,00%	1,33%	0,72%	
FR	2014FR16M00P015	Regional programme Lorraine et Vosges 2014-2020	Y	4,83%	1,33%	0,83%	0,83%	0,52%	0,47%	
FR	2014FR16M20P001	Regional programme Basse-Normandie 2014-2020	Y	1,49%	6,24%	2,00%	2,19%	0,76%	0,74%	
FR	2014FR16M20P003	Regional programme Bretagne 2014-2020	Y	1,51%	3,65%	3,40%	3,48%	2,00%	2,00%	Ongoing contradictory procedure following EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
FR	2014FR16M20P004	Regional programme Corse 2014-2020	Y	36,16%	2,57%	2,00%	2,35%	4,24%	2,00%	
FR	2014FR16M20P005	Regional programme Franche-Comté et Jura 2014-2020	Y	7,07%	6,60%	2,00%	2,00%	1,33%	0,72%	
FR	2014FR16M20P006	Regional programme Limousin 2014-2020	Y	0,19%	7,29%	2,00%	2,00%	3,95%	2,00%	
FR	2014FR16M20P008	Regional programme Pays de la Loire 2014-2020	Y	1,98%	4,35%	2,00%	2,00%	1,79%	1,61%	
FR	2014FR16M20P009	Regional programme Poitou Charentes 2014-2020	Y	0,00%	7,29%	2,00%	2,00%	3,95%	2,00%	
FR	2014FR16M20P010	Regional programme Rhône Alpes 2014-2020	Y	2,22%	18,21%	1,59%	1,59%	3,80%	1,59%	
FR	2014FR16M20P011	Regional programme Guyane Conseil Régional 2014-2020	N	0,00%	0,58%	0,54%	0,54%	9,34%	2,00%	
FR	2014FR16M20P012	Regional programme Mayotte 2014-2020	N	0,41%	100,00%	100,00%	100,00%	-	-	Ongoing contradictory procedure following EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%. TER 2019-2020 above 10%. MCS not functioning due to weaknesses at the level of MA and AA.
FR	2014FR16M2TA001	National technical assistance programme 2014-2020	Y	0,00%	0,25%	0,21%	0,21%	0,00%	0,00%	
FR	2014FR16RFOP001	Interregional programme Alpes 2014-2020	Y	0,00%	0,83%	0,76%	0,76%	3,09%	1,94%	
FR	2014FR16RFOP002	Interregional programme Loire 2014-2020	Y	0,04%	2,69%	2,00%	2,00%	1,25%	1,19%	
FR	2014FR16RFOP003	Interregional programme Massif Central 2014-2020	Y	2,87%	0,13%	0,11%	0,11%	4,48%	2,00%	
FR	2014FR16RFOP004	Interregional programme Pyrénées 2014-2020	Y	1,07%	5,71%	2,00%	2,05%	2,56%	1,90%	
FR	2014FR16RFOP005	Interregional programme Rhône 2014-	Y	1,08%	18,21%	1,59%	1,59%	3,80%	1,59%	

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		2020								
FR	2014FR16RFOP006	Interregional programme Alsace 2014-2020	Y	4,83%	1,33%	0,83%	0,83%	0,52%	0,47%	
FR	2014FR16RFOP007	Interregional programme Réunion Conseil Régional 2014-2020	Y	0,26%	0,37%	0,07%	0,07%	0,42%	0,40%	
GR	2014GR05M2OP001	Reform of the Public Sector	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	Ongoing contradictory procedure following EC and ECA audits. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
GR	2014GR16M1OP001	Transport infrastructure, Environment and sustainable development OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP001	Competitiveness, Entrepreneurship and innovation OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP002	Central Macedonia OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP003	Thessaly OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP004	Epirus OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP005	Western Greece OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP006	Western Macedonia OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP007	Continental Greece OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP008	Peloponnessus OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP009	Ionian Islands OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP010	North Aegean OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP011	Crete OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP012	Attica OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP013	Sout Aegean OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M2OP014	Eastern Macedonia-Thrace OP	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
GR	2014GR16M3TA001	Technical Assistance Programme	Y	2,99%	4,25%	2,60%	2,75%	3,85%	1,99%	
HR	2014HR16M1OP001	Competitiveness and Cohesion OP	Y	9,51%	0,42%	0,39%	0,45%	0,91%	0,52%	
HU	2014HU05M2OP001	Human Resources Development Operational Programme	Y	3,45%	5,04%	0,96%	0,96%	2,22%	1,29%	
HU	2014HU05M3OP001	Public Administration and Civil Service Development OP	Y	11,80%	5,61%	0,24%	0,24%	3,42%	1,17%	
HU	2014HU16M0OP001	Economic Development and Innovation Operational Programme	Y	3,06%	3,95%	2,11%	3,32%	3,50%	1,99%	Ongoing contradictory procedure following EC fact finding. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
HU	2014HU16M1OP001	Environmental and Energy Efficiency OP	Y	8,18%	4,74%	2,01%	2,01%	1,30%	1,06%	Ongoing contradictory procedure following EC fact finding. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
HU	2014HU16M1OP003	Integrated Transport OP	Y	1,01%	0,67%	0,00%	0,00%	1,51%	1,27%	
HU	2014HU16M2OP001	Territorial and settlement development OP	Y	11,19%	13,19%	1,99%	1,87%	2,36%	1,99%	

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HU	2014HU16M20P002	Competitive Central-Hungary OP	Y	11,19%	13,19%	1,99%	1,87%	2,36%	1,99%	MCS in category 2 except for weaknesses at the level of priority axis 2.
IE	2014IE16RFOP001	Border, Midland and Western Regional Operational Programme 2014-2020	Y	5,00%	16,86%	1,23%	1,23%	6,50%	2,00%	
IE	2014IE16RFOP002	Southern & Eastern Regional Operational Programme	Y	5,00%	16,86%	1,23%	1,23%	6,50%	2,00%	
IT	2014IT05M20P001	National Operational Programme on Education	Y	1,63%	5,00%	5,00%	5,00%	1,14%	1,14%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT05M20P002	National Operational Programme on Governance and Institutional Capacity	Y	1,16%	5,02%	5,01%	5,01%	2,33%	2,32%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER 2019-2020 down to 2%.
IT	2014IT16M20P001	ROP Molise ERDF ESF	Y	1,72%	2,00%	2,00%	2,00%	2,00%	2,00%	
IT	2014IT16M20P002	ROP Puglia ERDF ESF	Y	10,00%	7,01%	2,00%	2,00%	5,00%	5,00%	RTER 2019-2020 above 2%. MCS not functioning at the level of MA and AA following the results of ECA audit with irregularities reported on uncompleted operations.
IT	2014IT16M20P003	National Operational Programme on Legality	Y	2,62%	0,15%	0,15%	0,15%	1,90%	1,90%	
IT	2014IT16M20P004	National Operational Programme on Metropolitan Cities	N	2,50%	2,66%	1,48%	1,48%	8,71%	7,80%	RTER 2019-2020 above 2% (maximum error amount) pending final results by AA of 3 out of its sample of 30 operations. Financial corrections will be applied in case that the confirmed RTER for 2019-2020 is above 2% to bring it down to 2%
IT	2014IT16M20P005	National Operational Programme on Research and Innovation	Y	0,00%	0,52%	0,31%	0,55%	0,15%	0,15%	
IT	2014IT16M20P006	ROP Calabria ERDF ESF	N	15,00%	7,56%	2,11%	2,30%	7,40%	2,01%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER 2019-2020 down to 2%.
IT	2014IT16RFOP001	National Operational Programme on Culture	Y	3,59%	3,53%	2,37%	2,42%	1,69%	1,62%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT16RFOP002	National Operational Programme on Infrastructures and Networks	Y	2,50%	4,51%	3,90%	3,90%	5,00%	5,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER 2019-2020 down to 2%.
IT	2014IT16RFOP003	National Operational Programme on Enterprises and Competitiveness	Y	0,20%	0,48%	0,47%	0,98%	1,86%	1,72%	
IT	2014IT16RFOP004	ROP Abruzzo ERDF	Y	0,41%	1,95%	0,85%	0,92%	0,32%	0,32%	
IT	2014IT16RFOP005	ROP PA Bolzano ERDF	Y	-	7,53%	6,00%	6,00%	0,30%	0,30%	Ongoing contradictory procedure. Once finalised and,

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT16RFOP007	ROP Campania ERDF	N	3,91%	25,00%	25,00%	25,00%	10,00%	10,00%	Ongoing contradictory procedure. TER estimated at flat rate >10% following EC audit. MCS not functioning due to weaknesses at the level of MA and AA. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and 2019-2020 down to 2%.
IT	2014IT16RFOP008	ROP Emilia Romagna ERDF	N	2,07%	6,89%	6,81%	8,33%	2,00%	2,00%	Ongoing contradictory procedure following EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT16RFOP009	ROP Friuli Venezia Giulia ERDF	Y	1,18%	0,42%	0,37%	0,37%	2,31%	2,00%	
IT	2014IT16RFOP010	ROP Lazio ERDF	Y	0,01%	9,93%	1,50%	1,68%	1,39%	1,34%	
IT	2014IT16RFOP011	ROP Liguria ERDF	Y	1,39%	0,54%	0,53%	0,55%	0,40%	0,37%	
IT	2014IT16RFOP012	ROP Lombardia ERDF	Y	0,35%	2,00%	2,00%	5,00%	2,00%	2,00%	
IT	2014IT16RFOP013	ROP Marche ERDF	Y	1,01%	7,61%	1,82%	2,41%	0,20%	0,18%	
IT	2014IT16RFOP014	ROP Piemonte ERDF	Y	0,42%	0,16%	0,16%	0,32%	0,81%	0,81%	
IT	2014IT16RFOP015	ROP Sardegna ERDF	Y	5,16%	1,29%	1,20%	1,31%	2,87%	2,82%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2019-2020 down to 2%.
IT	2014IT16RFOP016	ROP Sicilia ERDF	Y	2,50%	6,57%	2,00%	2,00%	2,66%	2,14%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2019-2020 down to 2%.
IT	2014IT16RFOP017	ROP Toscana ERDF	Y	1,13%	1,94%	1,93%	2,13%	1,67%	1,45%	
IT	2014IT16RFOP018	ROP PA Trento ERDF	Y	1,50%	3,22%	3,00%	3,00%	0,55%	0,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT16RFOP019	ROP Umbria ERDF	Y	1,85%	1,02%	1,01%	1,05%	1,84%	1,72%	
IT	2014IT16RFOP020	ROP Valle d'Aosta ERDF	Y	1,50%	2,99%	2,99%	2,99%	0,92%	0,45%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
IT	2014IT16RFOP021	ROP Veneto ERDF	Y	2,94%	0,41%	0,39%	0,40%	0,36%	0,32%	
IT	2014IT16RFOP022	ROP Basilicata ERDF	Y	-	2,00%	2,00%	2,00%	2,00%	2,00%	
IT	2015IT16RFSM001	National operational programme SME Initiative	Y	0,00%	-	-	-	-	-	
LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	Y	5,00%	3,60%	1,97%	2,22%	0,80%	0,77%	
LU	2014LU16RFOP001	Operational Programme ERDF	Y	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
		Luxembourg 2014-2020								
LV	2014LV16MAOP001	Growth and Employment	Y	2,07%	3,61%	3,60%	3,60%	0,69%	0,58%	Ongoing contradictory procedure following ECA audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
MT	2014MT16M1OP001	Fostering a competitive and sustainable economy to meet our challenges	Y	0,02%	0,01%	0,00%	0,00%	0,03%	0,03%	
MT	2014MT16RFSM001	Stimulate private sector investment for economic growth ^(Note 1)	Y	-	0,00%	0,00%	0,00%	0,00%	0,00%	
NL	2014NL16RFOP001	OP North Netherlands ERDF 2014-2020	Y	0,23%	2,12%	1,96%	1,96%	0,17%	0,05%	
NL	2014NL16RFOP002	OP West Netherlands ERDF 2014-2020	Y	0,04%	0,42%	0,37%	0,70%	0,55%	0,53%	
NL	2014NL16RFOP003	OP South Netherlands ERDF 2014-2020	Y	0,86%	1,61%	1,55%	1,55%	0,23%	0,18%	
NL	2014NL16RFOP004	OP East Netherlands ERDF 2014-2020	Y	0,93%	0,10%	0,06%	0,06%	0,01%	0,01%	
PL	2014PL16CFTA001	OP Technical Assistance	Y	0,02%	0,11%	0,09%	0,09%	0,13%	0,10%	
PL	2014PL16M1OP001	OP Infrastructure and Environment	Y	0,00%	0,88%	0,87%	0,87%	0,02%	0,02%	
PL	2014PL16M2OP001	ROP 1 Regional Operational Programme for Dolnośląskie Voivodeship 2014-2020	N	0,50%	0,35%	0,23%	0,24%	0,44%	0,40%	Corrective measures to be issued following issues identified during EC thematic audit on public procurement which identified weaknesses in management verifications at the level o MA
PL	2014PL16M2OP002	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020	Y	0,59%	3,89%	2,10%	2,33%	2,32%	2,05%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2019-2020 down to 2%.
PL	2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	Y	1,42%	0,67%	0,37%	0,38%	0,17%	0,17%	
PL	2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	Y	1,84%	0,25%	0,12%	0,12%	0,49%	0,47%	
PL	2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	Y	1,75%	0,32%	0,10%	0,10%	1,78%	1,77%	
PL	2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020	Y	4,44%	0,81%	0,67%	0,67%	0,47%	0,47%	
PL	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	Y	2,77%	2,00%	1,81%	1,81%	0,45%	0,15%	
PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Y	9,70%	2,55%	1,87%	1,85%	0,99%	0,78%	MCS in category 2 except for weaknesses at the level of financial instruments.
PL	2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	Y	1,17%	0,46%	0,26%	0,26%	0,20%	0,19%	
PL	2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	Y	0,75%	0,95%	0,64%	0,66%	0,74%	0,71%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)		Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
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PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Y	2,82%	2,07%	1,68%	1,75%	0,90%	0,83%		
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	N	5,55%	1,29%	1,02%	1,07%	2,81%	2,10%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2019-2020 down to 2%.	
PL	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	Y	0,88%	0,78%	0,52%	0,52%	0,23%	0,20%		
PL	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Y	2,19%	0,72%	0,42%	0,41%	3,66%	2,12%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2019-2020 down to 2%.	
PL	2014PL16M2OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	N	1,91%	6,71%	5,16%	5,71%	5,00%	5,00%	Ongoing contradictory procedure following EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and 2019-2020 down to 2%. MCS not functioning due to weaknesses at the level of MA and AA.	
PL	2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	Y	0,52%	0,52%	0,35%	0,37%	1,39%	1,34%		
PL	2014PL16RFOP001	OP Smart growth	Y	8,32%	0,53%	0,51%	0,53%	0,74%	0,73%	MCS in category 2 except for weaknesses at the level of one beneficiary with potential conflict of interest.	
PL	2014PL16RFOP002	OP Digital Poland	Y	0,06%	0,01%	0,01%	0,01%	0,14%	0,12%		
PL	2014PL16RFOP003	OP Development of Eastern Poland	Y	1,70%	0,12%	0,12%	0,12%	0,67%	0,07%		
PT	2014PT16CFOP001	Sustainability and Resource Use Efficiency OP	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP001	Regional OP Norte	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP002	Regional OP Centro	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP003	Regional OP Alentejo	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP005	Regional OP Lisboa	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M2OP007	Regional OP Algarve	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
PT	2014PT16RFTA001	OP Technical Assistance	Y	10,22%	8,00%	3,00%	3,00%	6,53%	2,00%		
RO	2014RO16M1OP001	Large Infrastructure Operational Programme	Y	2,42%	2,00%	2,00%	2,00%	1,08%	0,42%		
RO	2014RO16RFOP001	Competitiveness Operational Programme	Y	0,00%	1,01%	0,85%	0,85%	2,00%	2,00%		

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RO	2014RO16RFOP002	Regional Operational Programme	N	4,11%	6,06%	2,64%	3,44%	5,00%	5,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER 2019-2020 down to 2%. MCS not functioning due to weaknesses at the level of MA and AA.
RO	2014RO16RFTA001	Technical Assistance Operational Programme	Y	0,01%	0,00%	0,00%	0,00%	0,00%	0,00%	
SE	2014SE16M20P001	Community-led local development programme with support from ERDF and ESF 2014-2020	N	0,17%	0,00%	0,00%	0,00%	2,41%	0,00%	MCS not functioning due to weaknesses at the level of MA. Ongoing corrective measures.
SE	2014SE16RFOP001	South Sweden	Y	0,28%	0,07%	0,07%	0,09%	0,77%	0,75%	
SE	2014SE16RFOP002	Småland and islands	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SE	2014SE16RFOP003	West Sweden	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SE	2014SE16RFOP004	East-Central Sweden	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SE	2014SE16RFOP005	Stockholm	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SE	2014SE16RFOP006	North-Central Sweden	Y	0,28%	0,07%	0,07%	0,08%	0,77%	0,75%	
SE	2014SE16RFOP007	Central Norrland	Y	0,28%	0,07%	0,07%	0,08%	0,77%	0,75%	
SE	2014SE16RFOP008	Upper Norrland	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SE	2014SE16RFOP009	National regional fund programme for investments in growth and jobs 2014-2020	Y	0,28%	0,07%	0,07%	0,07%	0,77%	0,75%	
SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	Y	0,90%	1,46%	1,34%	1,34%	4,38%	2,74%	RTER 2019-2020 above 2%.. Financial corrections will be applied to bring RTER 2019-2020 down to 2%.
SK	2014SK05M00P001	Operational Programme Human Resources	N	0,17%	3,00%	2,74%	2,74%	6,52%	6,05%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and 2019-2020 down to 2%. MCS not functioning due to weaknesses at the level of MA and AA.
SK	2014SK16M10P001	Integrated Infrastructure	N	0,74%	11,24%	3,85%	4,34%	4,21%	1,93%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%. MCS not functioning due to weaknesses at the level of the MA. Public procurement issues affecting the whole MA. Reputational issue due to cartel case.
SK	2014SK16M10P002	Quality of Environment	N	6,86%	4,18%	4,08%	4,15%	1,22%	0,97%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%. Reputational issue due to cartel case.
SK	2014SK16RFOP001	Research and Innovation	NA	1,87%	0,90%	0,77%	0,85%	-	-	
SK	2014SK16RFOP002	Integrated Regional Operational	Y	0,45%	1,34%	0,86%	2,42%	2,52%	0,52%	

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		Programme								
SK	2014SK16RFTA001	Technical Assistance	Y	0,00%	0,82%	0,82%	0,82%	0,00%	0,00%	
TC	2014TC16M4TN001	Mediterranean	Y	0,66%	0,18%	0,13%	0,13%	0,07%	0,06%	
TC	2014TC16M4TN002	Adriatic-Ionian	Y	-	0,56%	0,56%	0,56%	1,21%	1,19%	
TC	2014TC16M4TN003	Balkan-Mediterranean	Y	-	2,21%	0,01%	0,01%	1,70%	1,50%	
TC	2014TC16M5TN001	Baltic Sea	Y	0,55%	0,03%	0,03%	0,03%	2,55%	2,00%	
TC	2014TC16M6TN001	Danube	Y	0,32%	1,71%	1,57%	1,57%	0,66%	0,63%	
TC	2014TC16RFCB001	Interreg V-A - Belgium-Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas-Rhein)	Y	0,16%	1,10%	0,89%	0,89%	0,50%	0,49%	
TC	2014TC16RFCB002	Interreg V-A - Austria-Czech Republic	Y	-	2,54%	1,80%	1,80%	0,18%	0,17%	
TC	2014TC16RFCB003	Interreg V-A - Slovakia-Austria	Y	-	0,31%	0,09%	0,09%	0,55%	0,46%	
TC	2014TC16RFCB004	Interreg V-A - Austria-Germany/Bavaria (Bayern-Österreich)	Y	0,70%	0,77%	0,72%	0,72%	0,29%	0,04%	
TC	2014TC16RFCB005	Interreg V-A - Spain-Portugal (POCTEP)	Y	-	2,00%	2,00%	2,00%	0,63%	0,58%	
TC	2014TC16RFCB006	Interreg V-A - Spain-France-Andorra (POCTEFA)	Y	-	2,00%	2,00%	2,00%	2,16%	1,98%	
TC	2014TC16RFCB007	Interreg V-A - Spain-Portugal (Madeira-Açores-Canarias (MAC))	Y	-	2,00%	2,00%	2,00%	0,66%	0,56%	
TC	2014TC16RFCB008	Interreg V-A - Hungary-Croatia	Y	-	0,55%	0,19%	0,19%	0,24%	0,20%	
TC	2014TC16RFCB009	Interreg V-A - Germany/Bavaria-Czech Republic	Y	-	1,23%	0,02%	0,02%	0,26%	0,23%	
TC	2014TC16RFCB010	Interreg V-A - Austria-Hungary	Y	-	0,24%	0,23%	0,23%	1,48%	1,31%	
TC	2014TC16RFCB011	Interreg V-A - Germany/Brandenburg-Poland	Y	-	0,43%	0,21%	0,21%	0,21%	0,00%	
TC	2014TC16RFCB012	Interreg V-A - Poland-Slovakia	Y	0,87%	0,87%	0,83%	0,83%	1,10%	0,91%	
TC	2014TC16RFCB013	Interreg V-A - Poland-Denmark-Germany-Lithuania-Sweden (South Baltic)	Y	0,14%	1,33%	1,29%	1,29%	0,91%	0,88%	
TC	2014TC16RFCB014	Interreg V-A - Finland-Estonia-Latvia-Sweden (Central Baltic)	Y	0,61%	1,76%	1,63%	1,63%	0,88%	0,86%	
TC	2014TC16RFCB015	Interreg V-A - Slovakia-Hungary	Y	-	0,01%	0,01%	0,01%	0,24%	0,22%	
TC	2014TC16RFCB016	Interreg V-A - Sweden-Norway	Y	0,00%	0,00%	0,00%	0,00%	0,91%	0,78%	
TC	2014TC16RFCB017	Interreg V-A - Germany/Saxony-Czech Republic	N	2,15%	2,48%	2,25%	2,25%	5,47%	2,00%	Financial corrections will be applied to bring RTE 2018-2019 down to 2%. TER 2019-2020>5%. Corrective measures to be issued as MCS not functioning at the level of MA.
TC	2014TC16RFCB018	Interreg V-A - Poland-Germany/Saxony	Y	1,17%	0,74%	0,66%	0,66%	2,78%	2,00%	
TC	2014TC16RFCB019	Interreg V-A - Germany/Mecklenburg-	Y	0,00%	0,42%	0,08%	0,08%	0,18%	0,00%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA)*: Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2017-2018	Accounting year 2018-2019			Accounting year 2019-2020		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
		Vorpommern-Brandenburg-Poland								
TC	2014TC16RFCB020	Interreg V-A - Greece-Italy	Y	-	0,00%	0,00%	0,00%	0,05%	0,05%	
TC	2014TC16RFCB021	Interreg V-A - Romania-Bulgaria	Y	0,33%	9,35%	9,26%	9,26%	2,00%	2,00%	Ongoing contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 down to 2%.
TC	2014TC16RFCB022	Interreg V-A - Greece-Bulgaria	Y	-	1,10%	0,89%	0,89%	0,01%	0,00%	
TC	2014TC16RFCB023	Interreg V-A - Germany-The Netherlands (Deutschland-Nederland)	Y	0,26%	0,07%	0,06%	0,06%	0,22%	0,20%	
TC	2014TC16RFCB024	Interreg V-A - Germany-Austria-Switzerland-Liechtenstein (Alpenrhein-Bodensee-Hochrhein)	Y	0,28%	0,28%	0,27%	0,27%	1,59%	1,59%	
TC	2014TC16RFCB025	Interreg V-A - Czech Republic-Poland	N	0,43%	0,14%	0,03%	0,03%	5,96%	2,00%	TER 2019-2020 >5%. Corrective measures to be issued as MCS not functioning at the level of MA.
TC	2014TC16RFCB026	Interreg V-A - Sweden-Denmark-Norway (Öresund-Kattegat-Skagerrak)	Y	0,38%	0,20%	0,19%	0,19%	0,24%	0,22%	
TC	2014TC16RFCB027	Interreg V-A - Latvia-Lithuania	Y	1,06%	0,34%	0,34%	0,34%	0,64%	0,64%	
TC	2014TC16RFCB028	Interreg V-A - Sweden-Finland-Norway (Botnia-Atlantica)	Y	0,05%	0,29%	0,26%	0,26%	0,01%	0,01%	
TC	2014TC16RFCB029	Interreg V-A - Slovenia-Croatia	Y	2,91%	0,00%	0,00%	0,00%	0,07%	0,06%	
TC	2014TC16RFCB030	Interreg V-A - Slovakia-Czech Republic	Y	-	0,10%	0,00%	0,00%	3,65%	0,00%	
TC	2014TC16RFCB031	Interreg V-A - Lithuania-Poland	Y	0,00%	0,01%	0,01%	0,01%	0,00%	0,00%	
TC	2014TC16RFCB032	Interreg V-A - Sweden-Finland-Norway (Nord)	Y	0,15%	0,17%	0,15%	0,15%	1,40%	1,19%	
TC	2014TC16RFCB033	Interreg V-A - Italy-France (Maritime)	Y	0,63%	0,72%	0,71%	0,08%	0,00%	0,00%	
TC	2014TC16RFCB034	Interreg V-A - France-Italy (ALCOTRA)	Y	0,25%	4,84%	2,00%	2,00%	0,05%	0,04%	
TC	2014TC16RFCB035	Interreg V-A - Italy-Switzerland	Y	-	2,11%	1,93%	1,93%	0,43%	0,37%	
TC	2014TC16RFCB036	Interreg V-A - Italy-Slovenia	Y	0,63%	1,57%	1,30%	1,30%	0,53%	0,49%	
TC	2014TC16RFCB037	Interreg V-A - Italy-Malta	Y	-	0,14%	0,12%	0,12%	1,84%	1,64%	
TC	2014TC16RFCB038	Interreg V-A - France-Belgium-The Netherlands-United Kingdom (Les Deux Mers/Two seas/Twee Zeeën)	Y	0,06%	0,29%	0,26%	0,26%	0,01%	0,01%	
TC	2014TC16RFCB039	Interreg V-A - France-Germany-Switzerland (Rhin supérieur/Oberrhein)	Y	0,00%	1,18%	1,11%	1,11%	0,00%	0,00%	
TC	2014TC16RFCB040	Interreg V-A - France-United Kingdom (Manche/Channel)	Y	0,32%	0,13%	0,12%	0,12%	0,44%	0,36%	
TC	2014TC16RFCB041	Interreg V-A - France-Switzerland	Y	5,95%	0,18%	0,16%	0,16%	0,15%	0,12%	
TC	2014TC16RFCB042	Interreg V-A - Italy-Croatia	Y	-	0,34%	0,05%	0,05%	1,52%	1,38%	
TC	2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)	NA	-	-	-	-	-	-	
TC	2014TC16RFCB044	Interreg V-A - Belgium-France (France-	Y	1,19%	0,61%	0,53%	0,53%	2,37%	2,00%	MCS cat. 2 except for weaknesses at the level of the

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/INA*); Y= Cat. 1-2; N=Cat. 3-4	Accounting year 2017-2018	Accounting year 2018-2019			Accounting year 2019-2020		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
		Wallonie-Vlaanderen)								French authorities concerning the first level checks.
TC	2014TC16RFCB045	Interreg V-A - France-Belgium-Germany-Luxembourg (Grande Région/Großregion)	Y	0,00%	0,02%	0,02%	0,02%	0,00%	0,00%	
TC	2014TC16RFCB046	Interreg V-A - Belgium-The Netherlands (Vlaanderen-Nederland)	Y	0,86%	1,73%	1,70%	1,70%	0,76%	0,76%	
TC	2014TC16RFCB047	Interreg V-A - United Kingdom-Ireland (Ireland-Northern Ireland-Scotland)	Y	0,23%	2,00%	2,00%	2,00%	1,38%	1,35%	
TC	2014TC16RFCB048	Interreg V-A - United Kingdom-Ireland (Ireland-Wales)	Y	0,01%	0,00%	0,00%	0,00%	0,57%	0,45%	
TC	2014TC16RFCB049	Interreg V-A - Romania-Hungary	Y	0,00%	3,21%	2,00%	2,00%	1,05%	0,85%	
TC	2014TC16RFCB050	Interreg V-A - Estonia-Latvia	Y	2,20%	1,94%	1,94%	1,94%	0,00%	0,00%	
TC	2014TC16RFCB051	Interreg V-A - France (Mayotte-Comores-Madagascar)	N	-	-	-	-	-	-	MCS not functioning due to weaknesses at the level of MA and AA.
TC	2014TC16RFCB052	Interreg V-A - Italy-Austria	Y	-	0,05%	0,01%	0,01%	0,17%	0,17%	
TC	2014TC16RFCB053	Interreg V-A - Slovenia-Hungary	Y	0,05%	1,87%	0,10%	0,10%	0,02%	0,00%	
TC	2014TC16RFCB054	Interreg V-A - Slovenia-Austria	Y	0,14%	0,39%	0,31%	0,31%	0,22%	0,18%	
TC	2014TC16RFCB055	Interreg V-A - Greece-Cyprus	Y	-	0,20%	0,16%	0,16%	0,00%	0,00%	
TC	2014TC16RFCB056	Interreg V-A - Germany-Denmark	Y	0,57%	1,64%	1,50%	1,50%	0,84%	0,81%	
TC	2014TC16RFIR001	INTERREG EUROPE	Y	0,07%	0,26%	0,26%	0,26%	0,10%	0,09%	
TC	2014TC16RFIR002	INTERACT	Y	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	
TC	2014TC16RFIR003	URBACT	Y	0,33%	1,36%	1,29%	1,29%	1,01%	0,90%	
TC	2014TC16RFIR004	ESPON	Y	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	
TC	2014TC16RFPC001	Ireland-United Kingdom (PEACE)	Y	0,23%	2,00%	2,00%	2,00%	1,38%	1,35%	
TC	2014TC16RFNT001	Alpine Space	Y	0,75%	1,55%	1,51%	1,51%	0,29%	0,27%	
TC	2014TC16RFNT002	Atlantic Area	Y	0,00%	0,18%	0,13%	0,13%	1,07%	1,01%	
TC	2014TC16RFNT003	Central Europe	Y	0,00%	0,34%	0,32%	0,32%	0,02%	0,02%	
TC	2014TC16RFNT004	Northern Periphery and Arctic	Y	0,00%	0,02%	0,02%	0,02%	0,01%	0,01%	
TC	2014TC16RFNT005	North Sea	Y	1,22%	2,47%	2,00%	2,00%	0,39%	0,33%	
TC	2014TC16RFNT006	North West Europe	Y	0,07%	0,10%	0,02%	0,02%	0,16%	0,15%	
TC	2014TC16RFNT007	South West Europe	Y	0,45%	0,05%	0,04%	0,04%	0,58%	0,56%	
TC	2014TC16RFNT008	Caribbean Area	N	-	0,00%	0,00%	0,00%	5,25%	2,00%	
TC	2014TC16RFNT009	Indian Ocean Area	Y	0,00%	1,65%	1,52%	1,52%	0,44%	0,34%	
TC	2014TC16RFNT010	Amazonia	Y	0,00%	0,41%	0,00%	0,00%	0,02%	0,01%	
UK	2014UK16RFOP001	United Kingdom - ERDF England	Y	0,93%	5,05%	4,59%	5,81%	5,00%	5,00%	Ongoing contradictory procedure following EC audit. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2018-2019 and RTER 2019-2020 down to 2%. MCS not functioning due to weaknesses at the level of MA and AA.
UK	2014UK16RFOP002	United Kingdom - ERDF Gibraltar	N	0,00%	2,00%	2,00%	2,00%	-	-	Corrective measures ongoing for improvement of

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA)*; Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2017-2018	Accounting year 2018-2019			Accounting year 2019-2020		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										MCS.
UK	2014UK16RFOP003	United Kingdom - ERDF Northern Ireland	Y	1,14%	0,11%	0,08%	0,08%	0,06%	0,04%	
UK	2014UK16RFOP004	United Kingdom - ERDF Scotland	N	24,13%	-	-	-	3,67%	1,99%	
UK	2014UK16RFOP005	United Kingdom - ERDF West Wales and The Valleys	N	2,07%	0,67%	0,28%	0,43%	0,03%	0,03%	MCS in category 2 except for weaknesses at the level of projects managed by Network Rail.
UK	2014UK16RFOP006	United Kingdom - ERDF East Wales	Y	2,07%	0,67%	0,28%	0,49%	0,03%	0,03%	
KPI 5 confirmed for accounting year 2018-2019									2.1%	
Amount at risk at closure (where all RTERs 2018-2019 >2 % are brought down to 2%)									1.2%	

Note 1: In line with Regulation 1303/2013 the eligibility of expenditure included in the SME Initiatives will be assessed at closure.

ANNEX 7C: 2014/2020 ERDF / CF Programmes: Financial corrections applied by the Member States

The table below lists the **financial corrections performed for the accounting year 2019-2020** by the Member States in Euro, in total amounts and amounts due to audits.

(EUR)	Total withdrawals and recoveries	Total deductions from accounts	Total	Out of which amounts corrected as results of audits
	A	B	(A+B)	
AT	102.796	17.265.862	17.368.658	1.650.354
BE	10.584.211	3.439.572	14.023.783	2.760.627
BG	2.716.545	4.415.773	7.132.318	3.487.622
CY	110.574	42.279	152.853	25.920
CZ	4.249.422	32.799.110	37.048.531	4.949.997
DE	2.338.909	36.796.592	39.135.500	15.550.232
DK	0	929.674	929.674	0
EE	1.507.225	20.369.812	21.877.037	627.639
ES	1.547.435	203.493.111	205.040.546	53.673.245
FI	127.639	1.456.829	1.584.468	19.573
FR	16.802.553	56.247.112	73.049.665	17.438.215
GR	9.168.123	55.072.133	64.240.256	38.000.636
HR	2.599.110	27.460.296	30.059.406	3.856.707
HU	49.865.579	120.118.492	169.984.071	5.096.395
IE	31.489.139	2.529.515	34.018.654	2.529.515
IT	9.546.972	200.934.609	210.481.581	17.577.197
LT	4.709.220	47.188.688	51.897.908	775.433
LU	0	0	0	0
LV	13.574	26.821.617	26.835.192	185.230
MT	1.186.223	779.182	1.965.404	1.313
NL	151.054	363.166	514.220	68.873
PL	20.523.522	231.700.281	252.223.803	6.555.512
PT	134.120.781	142.149.970	276.270.751	134.996.105
RO	1.731.347	82.345.925	84.077.273	24.363.545
SE	2.563	1.402.178	1.404.741	113.591
SI	5.122.211	42.127.679	47.249.890	1.737.382
SK	310.947	111.442.739	111.753.686	11.834.663
TC	516.306	20.737.448	21.253.754	3.241.426
UK	3.817.293	4.894.726	8.712.019	2.177.826
TOTAL	314.961.271	1.495.324.370	1.810.285.641	353.294.771

In 2020 a total of EUR 1.81 billion was deducted either from interim payment applications or directly from the accounts. Out of this around 19.5 % was corrected as a result of audits. The remaining amounts removed from the accounts were mainly²⁶ due to different on-going assessments under Article 137(2) of CPR of expenditure previously declared during the accounting year, but also due to additional management verifications and corrections of clerical errors as well as corrections performed with regard to systemic issues, in particular concerning the incompliance of some national legislations with the Public Procurement Directives.

²⁶ At least 31%

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

	Total withdrawals and recoveries	Total deductions from accounts	Total	Out of which amounts corrected as results of audits
	A	B	(A+B)	
AT	102.796	35.308.352	35.411.148	16.703.187
BE	11.834.523	25.023.833	36.858.356	5.753.912
BG	4.521.280	46.104.358	50.625.638	19.619.551
CY	175.628	552.682	728.310	208.678
CZ	6.355.595	163.162.145	169.517.741	32.781.533
DE	4.588.544	150.978.375	155.566.920	47.047.667
DK	0	13.953.928	13.953.928	0
EE	3.615.188	69.930.443	73.545.631	12.964.336
ES	18.168.794	855.826.233	873.995.027	134.646.981
FI	422.463	33.065.329	33.487.793	287.946
FR	17.009.921	178.612.762	195.622.683	108.259.287
GR	39.492.935	190.479.431	229.972.366	79.848.933
HR	65.767.304	61.338.309	127.105.613	13.630.527
HU	212.554.880	2.154.748.496	2.367.303.376	54.752.923
IE	31.489.139	5.063.203	36.552.342	5.066.203
IT	19.621.139	502.085.135	521.706.274	76.050.868
LT	5.393.573	302.559.147	307.952.721	18.469.380
LU	0	0	0	0
LV	519.462	114.193.090	114.712.553	1.609.663
MT	1.229.545	5.001.192	6.230.737	8.536
NL	212.384	1.024.869	1.237.253	286.194
PL	58.384.960	841.027.787	899.412.747	47.508.377
PT	145.446.351	323.853.945	469.300.297	248.751.755
RO	3.863.307	312.128.025	315.991.332	102.942.571
SE	246.793	6.417.889	6.664.682	132.198
SI	6.229.398	120.437.623	126.667.021	3.822.898
SK	2.360.680	568.794.915	571.155.595	68.546.610
TC	1.679.558	48.061.985	49.741.543	6.447.294
UK	8.883.138	120.304.969	129.188.108	51.864.833
TOTAL	670.169.279	7.250.038.456	7.920.207.735	1.158.012.844

ANNEX 7D: 2014-2020 ERDF / CF programmes: Typologies of irregularities reported by Member States with the 2018-2019 assurance packages and by REGIO auditors

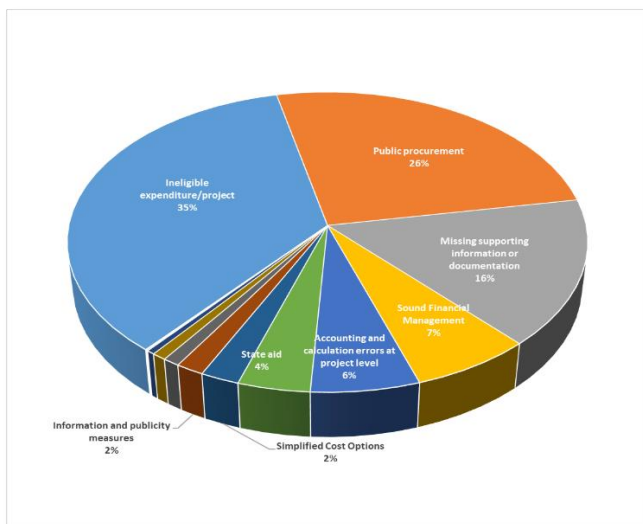
1) Typologies of irregularities reported by Member States in their 2020 annual control reports related to the 2018-2019 assurance packages

Category	Frequency (number of cases)	Amount of the reported irregularities (total costs, in million EUR)
Ineligible expenditure / project	1,281	88,8
Public Procurement	930	128,4
Missing supporting information or documentation	575	15,9
Sound Financial Management	245	2,4
Accounting and calculation errors at project level	221	2,1
State aid	147	69,1
Simplified Cost Options	79	0,7
Information and publicity measures	57	0,2
Performance indicators	34	0,4
Financial instruments	29	27,6
Revenue Generating projects	16	0,6
Sub TOTAL	3,614	336,1

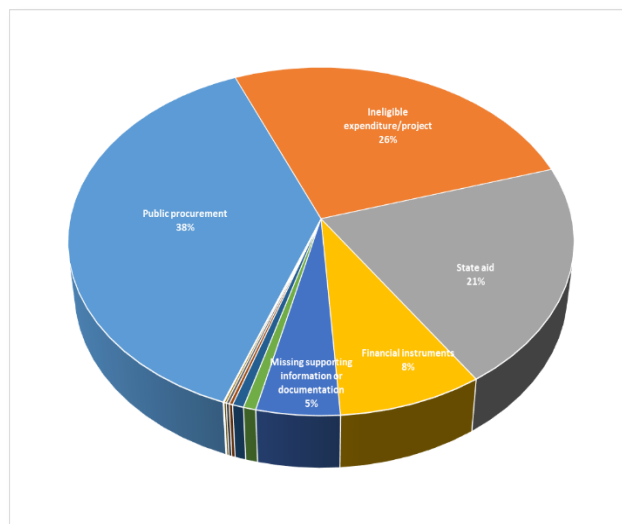
Other non-quantifiable irregularities reported	
Equal Opportunities / Non discrimination	3
Environmental rules	2
Data protection	1
Sub TOTAL	6
Grant total (quantifiable and non quantifiable)	3,620

Audit authorities' results (% of total)

Frequency of cases



Amounts



2) Typologies of irregularities reported in REGIO audits in 2020 (related mostly but not exclusively to the 2018-2019 assurance packages)

The different types of audits carried out in 2020 by REGIO also led to the identification of **137 system and 123 project findings in relation to the 236 ERDF/CF operations that REGIO audited** on the spot. In line with the joint typology of errors agreed with audit authorities, the vast majority of the 123 project audit findings related to **public procurement irregularities (63%)**

and ineligible expenditure/project (11%).

For the accounting year 2018-2019, audit results from both audit authorities and REGIO concern the same main categories: ineligible expenditure, public procurement, audit trail and State aid. These categories show the main risky areas for the ESI Funds implementation. However, in the audits of 2020 REGIO has identified several findings with regard to revenue generating projects and performance data, categories which are not that frequent in audit authorities' audits.

There are, however, some differences between the results obtained by the audit authorities and REGIO auditors. In 2020 audits REGIO identified again a high frequency of public procurement irregularities compared to the irregularities reported by the audit authorities. This is mainly due to a systemic issue detected already in 2019 in Spain and in Italy concerning the incorrect transposition of the public procurement Directives into former national law (limitation of sub-contracting without justification)²⁷ and in Italy relating to the limitation of sub-contracting without justification. The other main source of public procurement irregularities was due to the use of technical specifications, standards or brands without the mention "or equivalent" in Spain, Poland and Romania as well as irregular award of additional contracts in four Member States²⁸ and the UK. These irregularities were not detected or not sufficiently quantified by the audit authorities.

Category of detected irregularity	Number	Percentage
Public procurement	78	63%
* Unlawful and/or discriminatory selection and/or award criteria and/or technical specifications	25	20%
* National rules	9	7%
* Substantial modifications/award of additional works/services/supplies	9	7%
* Lack of transparency and/or equal treatment during evaluation	5	4%
* Lack of justification of not dividing contract into lots	5	4%
* Lack of publication of contract notice	4	3%
* Failure to state or not proportionate exclusion and/or selection criteria	5	4%
* Lack of publication/non compliance with time limits	2	2%
* Artificial splitting of contracts	2	2%
* Insufficient definition of the subject-matter of the contract	1	1%
* Negotiated procedure with prior publication of a contract notice with substantial modification of the conditions set	1	1%
* Evaluation of tenderers/candidates using unlawful selection or award criteria	5	4%
* Conflict of interest	1	1%
* Other public procurement	4	3%
Ineligible expenditure/project	13	11%
* Expenditure not related to the project	1	1%
* Expenditure not paid (in full) to the beneficiary	3	2%
* Ineligible VAT or other taxes	3	2%
* Expenditure outside the eligibility area	1	1%
* Non-compliance with rules on purchase of land or real estate	1	1%
* Project not eligible	1	1%
* Other ineligible expenditure	3	2%
Performance indicators	5	3%
Revenue generating projects	7	6%
State aid	6	5%
Missing supporting information or documentation (niadequate audit trail)	2	2%
Information and publicity measures	4	3%
Sound financial management	2	2%
Financial instruments	3	2%
Simplified cost options	2	2%
Equal opportunities	1	1%
Total	123	100%

²⁷ Limitation of subcontracting. However, this issue has been solved with the adoption of the Spanish public procurement law in 2017 transposing the 2014 Directives and with the adaptation of the Italian law since the ECJ ruling of September 2019. Expenditure related to previous contracts continue, however, to be declared under the programme accounts.

²⁸ FR, CZ, IT, UK, RO

ANNEX 7E: 2007-2013 and 2000-2006 ERDF/CF programmes: Assurance at closure

2007-2013 ERDF / CF programmes

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

Indicator	2020
Cumulative number of programmes pre-closed/closed by end 2020	313
RAL (open commitments)	14.9bn
- at 31/3/2017 (init. situation)	14.9bn
- at 31/12/2017 (- 5.8bn)	9.1bn
- at 31/12/2018 (- 6.2bn)	2.9 bn
- at 31/12/2019 (- 0.8bn)	2.1 bn
- at 31/12/2020 (- 0.2bn)	1.9 bn

If there are no pending issues identified in the programme or all pending issues have been resolved, the final balance can be determined and paid. Consequently, a closure letter can be sent accepting the closure documents. However, if there are

pending issues (such as on-going OLAF/national investigations, open audit findings, pending recoveries, etc.) identified in the programme, the final balance cannot yet be determined, the Commission pays only the uncontested amount to the Member State. A pre-closure letter shall be sent. Once the pending issues are resolved, a closure letter can be sent to the Member State.

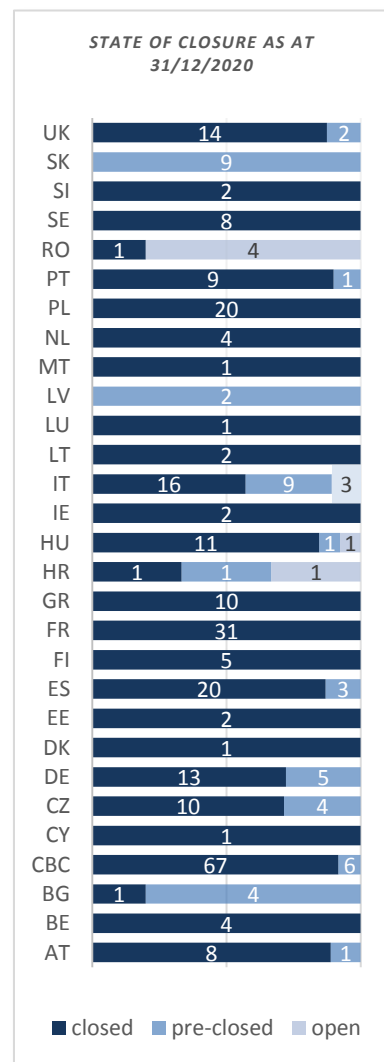
Article 89(4) of the General Regulation provides that subject to available funding, the Commission shall pay the final balance within no more than 45 days from the latter of the following dates: the date of the acceptance of the Final Implementation Report and the date of the acceptance of the Closure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

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

Closure of ERDF and CF 2007-2013

The pace of closure for the period 2007-2013 is two years faster compared to the preceding 2000-2006 programming period.

In 2020, REGIO made significant efforts to progress on its assessment of the additional information provided by Member States on the closure of the remaining 2007-2013 ERDF/CF programmes. In particular, two Director-level meetings were held in June and November 2020 to take stock of progress, analyse blocking issues and enhance cross-directorate cooperation. As a result REGIO could close additional programmes and pay **EUR 391.7 million** from the ERDF.

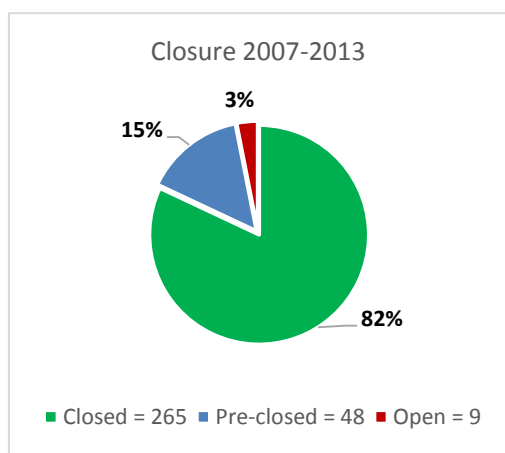


By end December 2020, 313 programmes were fully closed (265 or 82%) or pre-closed (48 or 15%) so far, representing **97% of the total 322 programmes**. Only nine programmes (**3%**) remain fully open due to pending issues, as shown in the pie chart.

For the 48 programmes with pre-closure, the Commission agreed to make a partial closure payment covering only the uncontested amounts, and withheld any expenditure affected by potential irregularities or on-going investigations at national (pending recoveries, fraud investigations, administrative/court proceedings) or EU level. The majority of these pre-closed programmes are affected by on-going procedures at national level for which it is difficult to predict the date of full closure.

97% of the OPs fully closed or pre closed for the uncontested part

Residual risk rate at closure is **0.37 %**



The nine programmes for which the Commission considers that serious issues remain and therefore cannot authorise the closure payment yet, concern four Member States (3 IT, 1 HR, 1 HU and 4 RO). Due to important amounts of corrections still to be applied, these programmes are put under reservation (see Annex 70). REGIO continues to proactively monitor the process with the concerned Member States in order to (pre)close these remaining programmes as soon as possible.

Based on the data reported by certifying authorities and checked at closure by audit authorities, Member States have reported an average residual risk rate at closure for all programmes of 0.3%²⁹. Following its thorough examination, REGIO has either confirmed or further adjusted the reported error rates and residual error rates based on all additional information, including follow-up to its own audits. REGIO is therefore able to conclude at this advanced stage of closure that **the residual risk rate** applied to the expenditure certified for the whole **programming period 2007-2013** is **0.37%**. The list of programmes with error rates / residual risk rates and status on closure is presented in Annex 7 F.

This low residual risk indicates that **appropriate financial corrections were systematically applied up to closure**, as expected, by programme authorities. **This also confirms the effective implementation of the programmes multi-annual corrective capacity** and that closure acted as an additional filter to correct any remaining material level of errors.

REGIO continues to carefully complete the assessment of this indicator for the programmes, which are not yet fully closed, and will apply additional financial corrections where necessary.

ECA is also currently carrying out an audit on one pre-closed programme (Calabria) in view of its 2020 Statement of Assurance.³⁰ As part of its audit work on the 2019 Statement of Assurance, the ECA had performed audits on three closure packages (in Hungary, Estonia and Malta). As in previous years, the ECA did not report any material errors in its 2019 annual report but only some minor

²⁹ Based on the expenditure declared in the final payment applications.

³⁰ The contradictory process with the Member States is ongoing by the time of drawing up this annual activity report. REGIO will report in next year's annual activity report the results of these audits, whether they affect the reported residual risk rates at closure.

system weaknesses or other compliance issues without any financial impact. The Commission will ensure the follow-up of the Court's findings.

Indicator (programming period 2007-2013)	2020
Reviewed audit authorities by REGIO	52 ³¹ in charge of >98% of ERDF/CF allocations ³²
Reliance on reviewed audit authorities by REGIO	100% of reviewed audit authorities (after action plans, where necessary)

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

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

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

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

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

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

Where the work of the audit authorities could not be fully relied upon, or where specific risks were

³¹ The on the spot audits by Directorate General of Regional and Urban Policy covered the following ERDF/CF audit authorities responsible for audit of mainstream programmes: (1 AT, 2 BE (out of 3 AAs), 1 BG, 1 CY, 1 CZ, 11 DE (out of 17 AAs), 1 DK, 1 EE, 1 ES, 1 FI (out of 2 AAs), 1 FR, 1 EL, 1 HR, 1 HU, 1 IE, 12 IT (out of 25 AAs), 1 LT, 1 LV, 1 MT, 1 NL, 1 PL, 1 PT, 1 RO, 1 SE, 1 SI, 1 SK and 4 UK (out of 5 AAs). LU was the only Member States without on-the-spot audit by REGIO. In addition, 7 audit authorities responsible for ETC programmes only were indirectly covered by the specific ETC audits as well (the latter representing 0.36% of total ERDF allocation).

³² ERDF/CF allocation for both mainstream and ETC programmes under the audit responsibility of 75 ERDF/CF audit authorities.

not addressed in a timely way by the audit authorities' audit strategies, REGIO carried out its own audit work to obtain direct assurance (under the "Bridging the assurance gap" audit enquiry).

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

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

Targeted audits for preparation to closure in case of remaining risks

From 2016 and until end-2021, REGIO also carried out/will³³ carry out targeted audits to address any risk that it considered remaining high in view of the preparation for closure. These audits could cover any of the enquiries available under the REGIO audit strategy and were tailor-made.

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

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

From 2016 until 2020 REGIO auditors carried out the following audits to assess the reliance that could be placed on the work of the audit authorities in view of closure:

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

- *Bridging the assurance gap*

From 2016 till 2020, 10 audits were carried out under this enquiry in BG, DE, HU (3), IT (2), RO (2) and for ETC (1). Audits aimed to obtain direct assurance in view of closure declarations, ensuring that identified risks were appropriately treated and adequately mitigated. The scope of the audits

³³ One audit planned for 2021.

was tailored to address the specific residual high risks of each programme taking into account the results of the work of the audit authorities, systemic weaknesses previously identified, error rates from audits of operation and effectiveness of management verifications. Other high risk areas were also covered under this enquiry such as the inclusion of retrospective projects expenditure, the inclusion of expenditure linked to contracts known to be affected by public procurement irregularities for which appropriate ex-ante corrections had to be applied, risk of reduced quality of management verifications due to higher amounts of expenditure to be certified in 2015 and 2016 and delays in certification resulting in the reduced time for audit authorities to complete their audits of operations.

- Withdrawals and recoveries

In 2017, two audits on the spot (in Romania and Slovakia) at the level of the certifying and managing authorities and three desk audits covering Greece, France and Italy were carried out. In all cases, the audit work focused on the accuracy and reliability of the data reported by the Member States on withdrawals and recoveries submitted by 31 March 2016 and in previous years with the aim to ensure that the residual risk rate to be calculated and reported by audit authorities at closure is reliable.

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

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

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

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

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

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

of the residual risk rate at closure, etc.).

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

Safeguarding the EU budget by corrective actions

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

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

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

Following this methodology, the reporting of financial corrections in this section provide only information on amounts of financial corrections carried out by the Member States at the Commission request resulting from EU bodies' audit work. These amounts of financial corrections confirmed and implemented by Member States at the Commission's request are reported on bi-annual basis to the European Parliament. The Commission's annual Communications on the protection of the EU budget provide the details on an accrual and cash basis³⁴.

Financial corrections as a result of the Commission supervisory role

Indicator	2020 (EUR million)	Cumulative since 2007 (EUR million)
Financial corrections as a result of the Commission supervisory role (Decided/Confirmed) ³⁵	122.2	4,396.8
Financial corrections as a result of the Commission supervisory role (implemented)	177.0	4,172.3
Rate of implementation of financial corrections 2007-2013		94,9%

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

Indicator (ERDF and Cohesion Fund)	Cumulative since 2007 (EUR million)
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³⁴ The Communications on the protection of the EU Budget is integrated in the Annual Management and Performance report (AMPR).

³⁵ Excluding financial corrections at source

Financial corrections 2007-2013 reported by Member States	9,503.5
Out of which additional to the EC reporting ³⁶	5,387.0

The detailed tables of financial corrections 2007-2013 by Member State can be found in Annex 7 G. In addition, Annex 7 H discloses detailed information of the closure of financial instruments.

The amount of financial corrections reported above do not reflect the total amount of corrections accepted by Member States as a result of the Commission's supervisory role. Remedial action plans are requested by the Commission from Member States when deficiencies are identified. These also have a **preventive effect** on expenditure already incurred by beneficiaries and registered at national level in the certifying authority's accounts, but not yet declared to the Commission. For such expenditure, the certifying authority applies the financial correction requested by the Commission prior to declaring expenditure ('ex ante' or 'at source'). Expenditure declared to the Commission is therefore net from irregular amounts. We estimate the cumulative amount of such corrections "at source" since 2007 to be 1.4 billion EURO.

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

IPA-CBC 2007-2013

In 2020, REGIO paid EUR 0.3 million for IPA-CBC 2007-2013.

Indicator	2020
Residual risk rate at closure (average IPA-CBC programmes)	0.38%
Number of IPA-CBC programmes from the 2007-2013 programming period in reservation	1

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

The closure documents for all 8 IPA-CBC programmes were submitted in line with the regulatory deadline of end-March 2018. REGIO assessed these within 5 months. All programmes were closed, except one programme, IPA Adriatic (2007CB16IPO001), for which a reputational reservation was issued in the 2018 AAR, and maintained in both the 2019 AAR and 2020 AAR (see Annex 7O). An audit on the spot was performed in 2019 for this programme concluding with a 5% flat rate correction of the final payment claim. In addition, in October 2020, OLAF issued a report identifying non-payment of five projects (the one in the REGIO's auditors' sample and 4 others) which are therefore considered ineligible and proposes a 10% flat rate correction on top of this ineligible amount. Both corrections should not be cumulated as they are concluding on the same issues. Another programme is still at pre-closure stage since some amounts remain open due to judicial investigations.³⁷

³⁶ As a result of comparison for each Member State between national and EU reporting of implemented financial corrections

³⁷ Bulgaria-North Macedonia (2007CB161P0007)

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

2000-2006 ERDF / CF programmes

In 2020, REGIO has made the following financial transactions for the 2000-2006 ERDF programmes and for the Cohesion fund projects:

Fund	Payments (EUR)	Recoveries (EUR)
CF 2000-2006 / ISPA	5,866,222.27	1,805,331.64
ERDF 2000-2006	151,934.43	454,824.94
TOTAL	6,018,156.70	2,260,156.58

State of play of closures

ERDF 2000-2006

In 2020, 1 programme was closed (BE).

Currently, out of 379 programmes, 19 remain partially closed. 17 projects are awaiting the decision of national institutions under administrative and/or legal procedures (including court cases). Depending on the decision of national authorities, they may result in the recovery of financial amounts or a decision to charge the amounts to the EU budget. Final closure of these programmes is not decided as long as no court decision is taken at national level. Therefore there is no risk on EU payments.

The Directorate General can conclude that it has reasonable assurance on all ERDF 2000-2006 payments made in 2020.

Cohesion Fund 2000-2006

In 2020, 4 Cohesion Fund projects (1 LT, 1 GR and 2 RO) out of the remaining 13 were closed. 9 projects remained open at the end of 2020 out of the 1 121 Cohesion Fund decided projects (for a Fund contribution of EUR 32.5 billion).

Open projects per country as of 31 December 2020

BG	ES	GR	LT	RO	Total
1	1	4	3	1	9

The Directorate General can conclude that it has reasonable assurance on all the final Cohesion Fund 2000-2006 payments it has made in 2020.

ANNEX 7F: 2007-2013 ERDF / CF programmes: Error Rates

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
1	AT	2007AT161P0001	Burgenland		closed		0,00%	0,00%	
2	AT	2007AT162P0001	Niederösterreich		closed		0,00%	0,00%	
3	AT	2007AT162P0002	Oberösterreich		closed		0,00%	0,00%	
4	AT	2007AT162P0003	Vorarlberg		closed		0,00%	0,00%	
5	AT	2007AT162P0004	Wien		closed		0,00%	0,00%	
6	AT	2007AT162P0005	Kärnten		pre-closed		0,00%	0,00%	
7	AT	2007AT162P0006	Salzburg		closed		0,00%	0,00%	
8	AT	2007AT162P0007	Steiermark		closed		0,00%	0,00%	
9	AT	2007AT162P0008	Tirol		closed		0,00%	0,00%	
10	BE	2007BE161P0001	Hainaut		closed		0,40%	0,36%	
11	BE	2007BE162P0001	Région de Bruxelles-Capitale		closed		0,90%	1,41%	
12	BE	2007BE162P0002	Vlaanderen		closed		0,63%	0,63%	
13	BE	2007BE162P0003	Wallonie (hors Hainaut)		closed		0,40%	0,36%	
14	BG	2007BG161P0001	Regional Development		pre-closed		0,19%	0,19%	
15	BG	2007BG161P0002	Technical Assistance		closed		0,12%	0,12%	
16	BG	2007BG161P0003	Bulgarian Economy		pre-closed		0,39%	0,39%	
17	BG	2007BG161P0004	Transport		pre-closed		0,00%	0,00%	
18	BG	2007BG161P0005	Environment		pre-closed		0,00%	0,00%	
19	CY	2007CY16UP0001	Sustainable Development and Competitiveness		closed		0,10%	0,00%	
20	CZ	2007CZ161P0001	South East		closed		0,00%	0,00%	
21	CZ	2007CZ161P0002	Central Moravia		closed		0,30%	0,28%	
22	CZ	2007CZ161P0004	Enterprise and Innovation			156,03	0,21%	0,21%	0,21%
23	CZ	2007CZ161P0005	North East		closed		0,00%	0,00%	
24	CZ	2007CZ161P0006	Environment		closed		1,34%	1,34%	
25	CZ	2007CZ161P0007	Transport		closed		0,00%	0,00%	
26	CZ	2007CZ161P0008	North-West		pre-closed		1,85%	1,85%	
27	CZ	2007CZ161P0009	Central Bohemia		closed		0,24%	0,24%	
28	CZ	2007CZ161P0010	Moravia Silesia		closed		0,00%	0,00%	
29	CZ	2007CZ161P0012	Research and Development for Innovation		pre-closed		0,00%	0,00%	
30	CZ	2007CZ161P0013	South West		pre-closed	2,13	0,00%	0,00%	0,00%
31	CZ	2007CZ162P0001	Prague		closed		0,00%	0,00%	
32	CZ	2007CZ16UP0001	Technical Assistance		closed		0,55%	15,91%	
33	CZ	2007CZ16UP0002	Integrated OP		pre-closed		0,00%	0,00%	

³⁸ Except for 5 cases where additional audits/information was required at the time of this report and for the 4 Croatian programmes (three mainstream and one ETC) with the closure packages sent in March 2018.

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
34	DE	2007DE161P0001	Thüringen		closed		0,00%	0,00%	
35	DE	2007DE161P0002	Brandenburg		pre-closed		0,00%	0,00%	
36	DE	2007DE161P0003	Mecklenburg - Vorpommern		closed		0,00%	0,00%	
37	DE	2007DE161P0004	Sachsen		pre-closed		0,00%	0,00%	
38	DE	2007DE161P0005	Verkehr		closed		0,00%	0,00%	
39	DE	2007DE161P0006	Niedersachsen - Region Lüneburg		closed		0,00%	0,00%	
40	DE	2007DE161P0007	Sachsen - Anhalt		pre-closed		1,60%	0,70%	
41	DE	2007DE162P0001	Bayern		closed		0,15%	0,15%	
42	DE	2007DE162P0002	Saarland		closed		0,00%	0,00%	
43	DE	2007DE162P0003	Schleswig - Holstein		pre-closed		0,00%	0,00%	
44	DE	2007DE162P0004	Berlin		pre-closed		0,00%	0,00%	
45	DE	2007DE162P0005	Hessen		closed		0,00%	0,04%	
46	DE	2007DE162P0006	Bremen		closed		0,00%	0,00%	
47	DE	2007DE162P0007	Nordrhein - Westfalen		closed	0,41	1,63%	1,60%	1,60%
48	DE	2007DE162P0008	Baden - Württemberg		closed		0,00%	0,00%	
49	DE	2007DE162P0009	Hamburg		closed		0,00%	0,00%	
50	DE	2007DE162P0010	Niedersachsen (ohne Region Lüneburg)		closed		0,00%	0,00%	
51	DE	2007DE162P0011	Rheinland - Pfalz		closed		0,00%	0,00%	
52	DK	2007DK162P0001	Innovation og Viden		closed		0,39%	0,39%	
53	EE	2007EE161P0001	Economic Environment		closed		0,00%	0,00%	
54	EE	2007EE161P0002	Living Environment		closed		0,00%	0,00%	
55	ES	2007ES161P0001	Región de Murcia		closed		0,45%	0,45%	
56	ES	2007ES161P0002	Melilla		closed		1,96%	1,97%	
57	ES	2007ES161P0003	Ceuta		closed		0,00%	0,01%	
58	ES	2007ES161P0004	Asturias		closed		0,77%	0,76%	
59	ES	2007ES161P0005	Galicia		closed		0,00%	2,00%	
60	ES	2007ES161P0006	Extremadura		closed		0,00%	0,00%	
61	ES	2007ES161P0007	Castilla La Mancha		closed		0,38%	0,21%	
62	ES	2007ES161P0008	Andalucía		closed		0,00%	0,50%	
63	ES	2007ES161P0009	Fondo de Cohesión - FEDER		pre-closed		0,00%	0,00%	
64	ES	2007ES162P0001	Cantabria		closed		0,00%	0,00%	
65	ES	2007ES162P0002	País Vasco		closed		1,67%	1,67%	
66	ES	2007ES162P0003	Navarra		closed		1,35%	1,35%	
67	ES	2007ES162P0004	Madrid		closed		0,00%	0,00%	
68	ES	2007ES162P0005	La Rioja		closed		0,00%	0,00%	
69	ES	2007ES162P0006	Cataluña		closed		0,00%	0,00%	
70	ES	2007ES162P0007	Baleares		closed		0,00%	0,00%	
71	ES	2007ES162P0008	Aragón		closed		0,70%	0,64%	
72	ES	2007ES162P0009	Castilla y León		closed		0,00%	0,00%	
73	ES	2007ES162P0010	Comunidad Valenciana		pre-closed		0,00%	0,00%	
74	ES	2007ES162P0011	Canarias		closed		0,35%	0,29%	

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
75	ES	2007ES16UP0001	Investigación, Desarrollo e innovación		pre-closed		0,32%	0,80%	
76	ES	2007ES16UP0002	Asistencia Técnica y Gobernanza		closed		0,32%	0,80%	
77	ES	2007ES16UP0003	Economía basada en el Conocimiento		closed		0,32%	0,80%	
	ES	2007ESNAT-PART	Spain – National Part of 19 Regional OPs ³⁹				0.20%	0.09%	
78	ETC	2007CB163P0001	EUREGIO Maas Rijn		closed		0,85%	0,85%	
79	ETC	2007CB163P0002	Austria-Czech Republic		closed		0,48%	0,48%	
80	ETC	2007CB163P0003	Slovakia-Austria		closed		0,06%	0,10%	
81	ETC	2007CB163P0004	Austria-Bavaria		closed		0,26%	0,27%	
82	ETC	2007CB163P0005	España - Portugal		closed		0,17%	0,13%	
83	ETC	2007CB163P0006	España - Francia		closed		1,59%	1,77%	
84	ETC	2007CB163P0007	Madeira - Azores - Canarias		closed		0,32%	0,32%	
85	ETC	2007CB163P0008	South West Europe		closed		0,75%	0,75%	
86	ETC	2007CB163P0009	Bavaria - Czech Republic		closed		0,30%	0,30%	
87	ETC	2007CB163P0010	Austria - Hungary		closed		0,33%	0,33%	
88	ETC	2007CB163P0011	Lubuskie - Branderburg		pre-closed		0,04%	0,04%	
89	ETC	2007CB163P0012	Poland-Slovakia		pre-closed		0,01%	0,01%	
90	ETC	2007CB163P0013	South Baltic		pre-closed		0,00%	0,00%	
91	ETC	2007CB163P0014	Alpine Space		closed		0,87%	0,87%	
92	ETC	2007CB163P0015	INTERACT		closed		0,05%	0,05%	
93	ETC	2007CB163P0016	Sweden - Norway		closed		1,18%	1,18%	
94	ETC	2007CB163P0017	Saxony-CZ Republic		closed		0,83%	1,21%	
95	ETC	2007CB163P0018	Sachsen - Polen		closed		0,61%	0,61%	
96	ETC	2007CB163P0019	MV/BB - Polen		closed		0,00%	0,00%	
97	ETC	2007CB163P0020	Baltic Sea Region		closed		0,53%	0,53%	
98	ETC	2007CB163P0021	Romania - Bulgaria		pre-closed		0,52%	0,60%	
99	ETC	2007CB163P0022	ESPON 2013		closed		0,15%	0,15%	
100	ETC	2007CB163P0023	Deutschland-Niederlande		closed		0,62%	0,62%	
101	ETC	2007CB163P0024	Alpenrhein-Bodensee-Hochrhein		closed		0,42%	0,42%	
102	ETC	2007CB163P0025	Ceská republika - Polsko		closed		0,83%	0,83%	
103	ETC	2007CB163P0026	Öresund - Kattegatt - Skagerrak		closed		0,00%	0,00%	
104	ETC	2007CB163P0027	Northern Periphery		closed		0,70%	0,70%	
105	ETC	2007CB163P0028	Botnia-Atlantica		closed		0,90%	0,90%	

³⁹ The relevant expenditure for Spain national part is included in those indicated per regional programme. The error rates indicated per regional programme are the error rates corresponding to the regional part of the programmes, excluding the national part. The national part is covered by one audit sample (error rate of 2.57% and residual error rate of 0.09%).

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
106	ETC	2007CB163P0029	Atlantic Area		closed		0,44%	0,52%	
107	ETC	2007CB163P0030	Slowacja - Česká Republika		pre-closed		0,00%	0,00%	
108	ETC	2007CB163P0031	Lithuania - Poland		closed		0,00%	0,00%	
109	ETC	2007CB163P0032	Nord Interreg		closed		0,85%	0,85%	
110	ETC	2007CB163P0033	Italia - Francia frontiera marittima		closed		0,46%	0,45%	
111	ETC	2007CB163P0034	Italia - Francia Alpi		closed		0,78%	0,71%	
112	ETC	2007CB163P0035	Italia - Svizzera		closed		0,12%	0,00%	
113	ETC	2007CB163P0036	Italia - Slovenia		closed		0,88%	1,25%	
114	ETC	2007CB163P0037	Italia - Malta		closed		0,33%	0,33%	
115	ETC	2007CB163P0038	Les 2 mers		closed		0,82%	0,82%	
116	ETC	2007CB163P0039	Rhin supérieur		closed		0,36%	0,36%	
117	ETC	2007CB163P0040	Manche		closed		0,47%	0,47%	
118	ETC	2007CB163P0041	France - Suisse		closed		1,87%	1,84%	
119	ETC	2007CB163P0042	Réunion		closed		1,17%	1,17%	
120	ETC	2007CB163P0043	Caraïbes		closed		1,32%	1,32%	
121	ETC	2007CB163P0044	Nord Ouest Européen		closed		0,48%	0,48%	
122	ETC	2007CB163P0045	Méditerranée		closed		0,81%	0,81%	
123	ETC	2007CB163P0046	Interreg IV C		closed		0,49%	0,49%	
124	ETC	2007CB163P0047	Ireland - Northern Ireland - Scotland		closed		0,00%	0,00%	
125	ETC	2007CB163P0048	URBACT		closed		0,19%	0,19%	
126	ETC	2007CB163P0049	Peace III		closed		0,00%	0,00%	
127	ETC	2007CB163P0050	Estonia - Latvia		closed		0,09%	0,09%	
128	ETC	2007CB163P0051	Amazonie		closed		1,13%	1,13%	
129	ETC	2007CB163P0052	Italia - Austria		closed		0,77%	0,79%	
130	ETC	2007CB163P0053	Slovenia - Hungary		closed		1,29%	1,21%	
131	ETC	2007CB163P0054	Slovenia - Austria		closed		0,00%	0,00%	
132	ETC	2007CB163P0055	North Sea		closed		1,08%	1,08%	
133	ETC	2007CB163P0056	Syddanmark-Schleswig		closed		0,40%	0,40%	
134	ETC	2007CB163P0057	Fehmarnbeltregion		closed		1,09%	1,09%	
135	ETC	2007CB163P0058	Greece - Cyprus		closed		0,38%	0,38%	
136	ETC	2007CB163P0059	Greece - Bulgaria		closed		1,10%	1,10%	
137	ETC	2007CB163P0060	Greece - Italy		closed		0,37%	0,21%	
138	ETC	2007CB163P0061	Central Europe		closed		0,84%	0,84%	
139	ETC	2007CB163P0062	Ireland Wales		closed		0,18%	0,36%	
140	ETC	2007CB163P0063	France - Wallonie - Vlaanderen		closed		0,46%	0,50%	
141	ETC	2007CB163P0064	Grande Région		closed		2,00%	2,00%	
142	ETC	2007CB163P0065	Vlaanderen - Nederland		closed		0,99%	0,99%	
143	ETC	2007CB163P0066	Central Baltic		closed		0,60%	0,60%	
144	ETC	2007CB163P0067	Hungary - Romania		pre-closed		0,50%	0,50%	
145	ETC	2007CB163P0068	Hungary - Slovakia		closed		0,34%	0,34%	
146	ETC	2007CB163P0069	South East Europe		closed		0,15%	0,15%	

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147	ETC	2007CB163P0070	Latvia - Lithuania		closed		0,00%	0,00%	
148	ETC	2013CB163P0001	Slovenia-Croatia		closed		0,00%	0,37%	
149	ETC	2013CB163P0002	Hungary-Croatia		closed		0,00%	0,00%	
150	ETC	2008CB163P0001	España - Fronteras Exteriores		closed		0,62%	0,56%	
151	FI	2007FI162P0001	Itä		closed		0,00%	0,00%	
152	FI	2007FI162P0002	Pohjois		closed		0,00%	0,00%	
153	FI	2007FI162P0003	Länsi		closed		0,00%	0,00%	
154	FI	2007FI162P0004	Etelä		closed		0,00%	0,00%	
155	FI	2007FI162P0005	Åland		closed		1,87%	1,87%	
156	FR	2007FR161P0001	Guyane		closed		1,84%	1,84%	
157	FR	2007FR161P0002	Guadeloupe		closed	13,93	1,84%	1,84%	1,84%
158	FR	2007FR161P0003	Martinique		closed		1,84%	1,84%	
159	FR	2007FR161P0004	Réunion		closed		1,84%	1,84%	
160	FR	2007FR162P0001	Aquitaine		closed		1,84%	1,84%	
161	FR	2007FR162P0002	Centre		closed		1,84%	1,84%	
162	FR	2007FR162P0003	Alsace		closed		1,84%	1,84%	
163	FR	2007FR162P0004	Auvergne		closed		1,84%	1,84%	
164	FR	2007FR162P0005	Basse-Normandie		closed		1,84%	1,84%	
165	FR	2007FR162P0006	Bourgogne		closed		1,84%	1,84%	
166	FR	2007FR162P0007	Bretagne		closed		1,84%	1,84%	
167	FR	2007FR162P0008	Champagne-Ardenne		closed		1,84%	1,84%	
168	FR	2007FR162P0009	Corse		closed		1,84%	1,84%	
169	FR	2007FR162P0010	Franche-Comté		closed		1,84%	1,84%	
170	FR	2007FR162P0011	Haute-Normandie		closed		1,84%	1,84%	
171	FR	2007FR162P0012	Ile-De-France		closed		1,84%	1,84%	
172	FR	2007FR162P0013	Languedoc-Roussillon		closed		1,84%	1,84%	
173	FR	2007FR162P0014	Limousin		closed		1,84%	1,84%	
174	FR	2007FR162P0015	Lorraine		closed		1,84%	1,84%	
175	FR	2007FR162P0016	Pays De La Loire		closed		1,84%	1,84%	
176	FR	2007FR162P0017	Nord Pas-De-Calais		closed	8,37	1,84%	1,84%	1,84%
177	FR	2007FR162P0018	Picardie		closed		1,84%	1,84%	
178	FR	2007FR162P0019	Poitou-Charentes		closed		1,84%	1,84%	
179	FR	2007FR162P0020	PACA		closed		1,84%	1,84%	
180	FR	2007FR162P0021	Midi-Pyrénées		closed		1,84%	1,84%	
181	FR	2007FR162P0022	Rhône-Alpes		closed		1,84%	1,84%	
182	FR	2007FR162P0023	Alpes		closed		1,84%	1,84%	
183	FR	2007FR162P0024	Loire		closed		1,84%	1,84%	
184	FR	2007FR162P0025	Massif Central		closed		1,84%	1,84%	
185	FR	2007FR162P0026	Rhône		closed		1,84%	1,84%	
186	FR	2007FR161P0001	Europact		closed		1,84%	1,84%	
187	GR	2007GR161P0001	Competitiveness		closed		0,00%	0,00%	
188	GR	2007GR161P0002	Digital convergence		closed		0,00%	0,00%	
189	GR	2007GR161P0003	Technical assistance		closed		0,00%	0,00%	

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
190	GR	2007GR161P0004	Accessibility		closed		0,00%	0,00%	
191	GR	2007GR161P0005	Environment - sustainable development		closed		0,00%	0,00%	
192	GR	2007GR161P0006	Attica		closed		0,00%	0,00%	
193	GR	2007GR161P0007	Western Greece - Peloponese - Ionian islands		closed		0,00%	0,00%	
194	GR	2007GR161P0008	Macedonia - Thrace		closed		0,00%	0,00%	
195	GR	2007GR16UP0001	Thessaly - Continental Greece - Epirus		closed		0,00%	0,00%	
196	GR	2007GR16UP0002	Crete & Aegean islands		closed		0,00%	0,00%	
197	HR	2007HR161P0001	Environment		pre-closed		1,90%	1,91%	
198	HR	2007HR161P0002	Transport	Full non-financial	open		not reported	0,45%	
199	HR	2007HR161P0003	Regional Competitiveness		closed		0,00%	0,04%	
200	HU	2007HU161P0001	Economic Competitiveness		closed		0,44%	0,44%	
201	HU	2007HU161P0002	Environment and Energy		closed		0,17%	0,17%	
202	HU	2007HU161P0003	West Pannon		closed		0,00%	0,00%	
203	HU	2007HU161P0004	South Great Plain		closed		0,00%	0,00%	
204	HU	2007HU161P0005	Central Transdanubia		closed		0,00%	0,00%	
205	HU	2007HU161P0006	North Hungary		closed		0,00%	0,00%	
206	HU	2007HU161P0007	Transport		pre-closed		0,32%	0,32%	
207	HU	2007HU161P0008	Social Infrastructure		closed		1,04%	1,04%	
208	HU	2007HU161P0009	North Great Plain		closed		0,00%	0,00%	
209	HU	2007HU161P0010	Implementation		closed		0,95%	0,95%	
210	HU	2007HU161P0011	South Transdanubia		closed		0,00%	0,00%	
211	HU	2007HU162P0001	Central Hungary		closed		0,09%	0,09%	
212	HU	2007HU16UP0001	Electronic Public Administration	Full non-financial	open		0,98%	5,00%	
213	IE	2007IE162P0001	Border, Midland and Western Operational Programme		closed		1,29%	0,00%	
214	IE	2007IE162P0002	Southern and Eastern		closed		1,39%	0,00%	
215	IT	2007IT161P0001	Attrattori Culturali		closed		0,00%	0,00%	
216	IT	2007IT161P0002	Renewable Energy		closed	40,19	0,00%	0,00%	0,00%
217	IT	2007IT161P0003	Governance e AT		pre-closed		0,00%	0,00%	
218	IT	2007IT161P0004	Ambienti per l'apprendimento		pre-closed		0,62%	0,67%	
219	IT	2007IT161P0005	Reti e mobilita	Full non-financial	open		0,00%	0,00%	
220	IT	2007IT161P0006	Ricerca e competitivita	Full non-financial	open		0,00%	10,00%	
221	IT	2007IT161P0007	Sicurezza per lo Sviluppo		closed		0,00%	0,00%	
222	IT	2007IT161P0008	Calabria		pre-closed	47,39	0,88%	1,82%	1,82%
223	IT	2007IT161P0009	Campania		pre-closed		0,00%	1,00%	
224	IT	2007IT161P0010	Puglia		closed		0,85%	0,85%	

	MS	Ref	Title	Reserve AAR 2020	Closure status at end 2020	Relevant expenditure 2020 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ³⁸	Rate of risk on payment
225	IT	2007IT161P0011	Sicilia	Reputational	open		0,49%	0,76%	
226	IT	2007IT161P0012	Basilicata		pre-closed	36,23	0,79%	0,71%	0,71%
227	IT	2007IT162P0001	Abruzzo		closed	6,99	0,00%	0,00%	0,00%
228	IT	2007IT162P0002	Emilia Romagna		closed		0,00%	0,00%	
229	IT	2007IT162P0003	Friuli Venezia Giulia		pre-closed	3,18	0,00%	0,00%	0,00%
230	IT	2007IT162P0004	Lazio		closed	18,42	1,99%	1,01%	1,01%
231	IT	2007IT162P0005	Liguria		closed		0,00%	0,00%	
232	IT	2007IT162P0006	Lombardia		closed		0,13%	0,00%	
233	IT	2007IT162P0007	Marche		closed		0,41%	0,41%	
234	IT	2007IT162P0008	Molise		pre-closed		0,00%	0,00%	
235	IT	2007IT162P0009	Provincia Autonoma di Bolzano		closed		0,12%	0,03%	
236	IT	2007IT162P0010	Trento		pre-closed		0,00%	0,00%	
237	IT	2007IT162P0011	Piemonte		closed		0,00%	0,00%	
238	IT	2007IT162P0012	Toscana		closed		0,26%	0,00%	
239	IT	2007IT162P0013	Umbria		closed		0,28%	0,28%	
240	IT	2007IT162P0014	Valle d'Aosta		closed		0,01%	0,00%	
241	IT	2007IT162P0015	Veneto		closed		0,69%	1,00%	
242	IT	2007IT162P0016	Sardegna		pre-closed		1,43%	1,30%	
243	LT	2007LT161P0001	Promotion of Cohesion		closed		0,37%	0,00%	
244	LT	2007LT161P0002	Economic Growth		closed		0,37%	0,00%	
245	LU	2007LU162P0001	Compétitivité & emploi		closed		0,00%	0,00%	
246	LV	2007LV161P0001	Entrepreneurship and Innovations		pre-closed		0,00%	0,00%	
247	LV	2007LV161P0002	Infrastructure and Services		pre-closed		0,00%	0,00%	
248	MT	2007MT161P0001	Competitiveness		closed		0,05%	0,05%	
249	NL	2007NL162P0001	Noord		closed		0,38%	0,38%	
250	NL	2007NL162P0002	West		closed		0,00%	0,00%	
251	NL	2007NL162P0003	Zuid		closed		0,00%	0,00%	
252	NL	2007NL162P0004	Oost		closed		0,36%	0,36%	
253	PL	2007PL161P0001	Innovative Economy		closed		0,00%	0,00%	
254	PL	2007PL161P0002	Infrastructure & Environment		closed		0,00%	0,00%	
255	PL	2007PL161P0003	Eastern Poland		closed		0,00%	0,00%	
256	PL	2007PL161P0004	Technical Assistance		closed		0,15%	0,15%	
257	PL	2007PL161P0005	Dolnoslaskie		closed		0,00%	0,29%	
258	PL	2007PL161P0006	Kujawsko-Pomorskie		closed		0,00%	0,00%	
259	PL	2007PL161P0007	Lubelskiego		closed		0,00%	0,00%	
260	PL	2007PL161P0008	Lubuskie		closed		0,00%	0,00%	
261	PL	2007PL161P0009	Lódzkie		closed		0,00%	0,00%	
262	PL	2007PL161P0010	Malopolskie		closed		0,00%	0,88%	
263	PL	2007PL161P0011	Mazowieckie		closed		0,00%	0,00%	
264	PL	2007PL161P0012	Opolskie		closed		1,10%	1,07%	
265	PL	2007PL161P0013	Podkarpackie		closed		0,00%	0,35%	

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266	PL	2007PL161P0014	Podlaskie		closed		0,00%	0,00%	
267	PL	2007PL161P0015	Pomorskie		closed		0,00%	0,00%	
268	PL	2007PL161P0016	Zachodniopomorskie		closed		0,00%	0,00%	
269	PL	2007PL161P0017	Wielkopolskie		closed		0,00%	0,00%	
270	PL	2007PL161P0018	Swietokrzyskie		closed		0,00%	0,00%	
271	PL	2007PL161P0019	Slaskie		closed		0,00%	0,00%	
272	PL	2007PL161P0020	Warminsko-Mazurskie		closed		0,00%	0,00%	
273	PT	2007PT161P0001	Factores de Competitividade		closed		0,01%	0,01%	
274	PT	2007PT161P0002	Norte		closed		0,01%	0,01%	
275	PT	2007PT161P0003	Centro		closed		0,01%	0,01%	
276	PT	2007PT161P0004	Alentejo		closed		0,01%	0,01%	
277	PT	2007PT161P0005	Algarve		closed		0,01%	0,01%	
278	PT	2007PT161P0006	Açores		closed		0,01%	0,01%	
279	PT	2007PT162P0001	Lisboa		closed		0,01%	0,01%	
280	PT	2007PT162P0002	Madeira		closed		0,01%	0,01%	
281	PT	2007PT16UP0001	Valorização do Território		pre-closed		0,00%	0,00%	
282	PT	2007PT16UP0002	Assistência Técnica		closed		0,00%	0,00%	
283	RO	2007RO161P0001	Regional Operational Programme	Full non-financial	open		0,00%	0,00%	
284	RO	2007RO161P0002	Increase of Economic Competitiveness		open		0,00%	0,25%	
285	RO	2007RO161P0003	Transport	Full non-financial	open		0,00%	0,00%	
286	RO	2007RO161P0004	Environment	Full non-financial	open		0,00%	0,00%	
287	RO	2007RO161P0005	Technical Assistance		closed		0,38%	0,43%	
288	SE	2007SE162P0001	Skåne-Blekinge		closed		0,15%	0,15%	
289	SE	2007SE162P0002	Småland och Öarna		closed		0,15%	0,15%	
290	SE	2007SE162P0003	Västsverige		closed		0,15%	0,15%	
291	SE	2007SE162P0004	Östra Mellansverige		closed		0,15%	0,15%	
292	SE	2007SE162P0005	Stockholm		closed		0,15%	0,15%	
293	SE	2007SE162P0006	Norra Mellansverige		closed		0,15%	0,15%	
294	SE	2007SE162P0007	Mellersta Norrland		closed		0,15%	0,15%	
295	SE	2007SE162P0008	Övre Norrland		closed		0,15%	0,15%	
296	SI	2007SI161P0001	Regional Potentials		closed		0,00%	0,00%	
297	SI	2007SI161P0002	Environment & Transport Infrastructure		closed		0,00%	0,00%	
298	SK	2007SK161P0001	Information Society		pre-closed		0,20%	0,20%	
299	SK	2007SK161P0002	Environment		pre-closed		1,10%	1,18%	
300	SK	2007SK161P0003	Regional OP		pre-closed		0,98%	0,98%	
301	SK	2007SK161P0004	Transport		pre-closed		0,00%	0,00%	
302	SK	2007SK161P0005	Health		pre-closed		0,00%	2,00%	
303	SK	2007SK161P0006	Competitiveness		pre-closed		0,44%	0,44%	
304	SK	2007SK161P0007	Technical Assistance	Partial non-financial	pre-closed		0,61%	20,51%	
305	SK	2007SK162P0001	Bratislava		pre-closed		0,00%	0,00%	

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306	SK	2007SK16UP0001	Research and Development		pre-closed		0,00%	0,00%	
307	UK	2007UK161P0001	Highlands and Islands		closed		0,80%	0,00%	
308	UK	2007UK161P0002	West Wales and the Valleys		pre-closed	58,06	0,05%	0,11%	0,11%
309	UK	2007UK161P0003	Cornwall and the Isles of Scilly		pre-closed		0,92%	0,92%	
310	UK	2007UK162P0001	Lowlands and Uplands		closed		1,33%	0,39%	
311	UK	2007UK162P0002	South East England		closed		0,92%	0,92%	
312	UK	2007UK162P0003	Northern Ireland		closed		0,00%	0,00%	
313	UK	2007UK162P0004	East of England		closed		0,92%	0,92%	
314	UK	2007UK162P0005	North East England		closed		0,92%	0,92%	
315	UK	2007UK162P0006	London		closed		0,92%	0,92%	
316	UK	2007UK162P0007	West Midlands		closed		0,92%	0,92%	
317	UK	2007UK162P0008	North West England		closed		0,92%	0,92%	
318	UK	2007UK162P0009	Yorkshire and Humberside		closed		0,92%	0,92%	
319	UK	2007UK162P0010	East Midlands		closed		0,92%	0,92%	
320	UK	2007UK162P0011	South West England		closed		0,92%	0,92%	
321	UK	2007UK162P0012	East Wales		closed		0,05%	0,11%	
322	UK	2007UK162P0013	Gibraltar		closed		0,00%	0,00%	
Total						391,33			
Weighted average residual risk based on the expenditure declared at closure								0,37%	
Average residual risk at payment/at closure									0,54%

ANNEX 7G: 2007-2013 ERDF / CF programmes: Financial Corrections, Withdrawals and Recoveries

1. Commission supervisory role - Financial corrections confirmed/decided in 2020 (excluded at source corrections) by programming period, in EUR million
(adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06	2007-13			Cumulative (ERDF + CF) end of 2020	Total
	Cumulative (ERDF + CF) end of 2020	Cumulative (ERDF + CF) end of 2020	2020		Cumulative (ERDF + CF) end of 2020		
			ERDF	CF		Total 2020	
Austria	0,2	0,7				16,2	17,1
Belgium	9,1	8,2				13,3	30,6
Bulgaria		25,7				124,7	150,4
Croatia		1				0,9	1,9
Cyprus							
Czech Republic		45	10,2		10,2	388,8	433,8
Denmark	1,8	0,5					2,3
Estonia		2,2				16,3	18,5
ETC	1,8	69,1				12,1	83
Finland	0,5						0,5
France	32,7	112,3	2,2		2,2	21,2	166,2
Germany	48,6	26,6			0	161,5	236,7
Greece	519,6	1 237,7				412,6	2 169,9
Hungary		64,9	3,5		3,5	822,6	887,5
Ireland	11,2	64,9				2,4	78,5
Italy	338,9	1 312,6	98,9		98,9	532	2 183,5
Latvia		17,9				61,1	79,0
Lithuania		8,4					8,4
Luxembourg	0,3						0,3
Malta						11	11,0
Netherlands	8,2	0,2					8,4
Poland		303,5				585,8	889,3
Portugal	85	240,3				81,1	406,4
Romania		27,4				74,1	101,5
Slovakia		119,8	-9,5	2,2	-7,3	368,9	488,7
Spain	225,9	2 918,4	2,4	1	3,4	556	3 700,3
Slovenia		2,9				49,4	52,3
Sweden	0,5	0,1				0,7	1,3
United Kingdom	126,9	159,9	11,3		11,3	84,1	370,9
TOTAL	1 411,2	6 770,2	119,0	3,2	122,2	4 396,8	12 578,2
Implemented	1 409,3	6 765,5				4 171,1	12 345,9
%	99,9%	99,9%				94,9%	98,2%

2. Commission supervisory role - Financial corrections implemented in 2020 (excluded at source corrections) by programming period, in EUR million
(adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06				2007-13				Total			
	Cumulative (ERDF + CF) end of 2020	2019			Cumulative (ERDF + CF) end of 2020	2020			Cumulative (ERDF + CF) end of 2020	2020			Cumulative (ERDF + CF) end of 2020
		ERDF	CF	Total 2020		ERDF	CF	Total 2020		ERDF	CF	Total 2020	
Austria	0,2				0,7				16,2				17,1
Belgium	9,1				8,2				13,3				30,6
Bulgaria					25,7				120,6				146,3
Croatia					1,0				1				2
Cyprus													0
Czech Republic					45,0	13,1		13,1	455,7	13,1		13,1	500,7
Denmark	1,8				0,5							0	2,3
Estonia					2,2				16,3			0	18,5
ETC	1,8				69,1				12,1			0	83
Finland	0,5											0	0,5
France	32,7				112,3	2,2		2,2	21,2	2,2		2,2	166,2
Germany	48,6				26,6	0,8		0,8	161,5	0,8		0,8	236,7
Greece	517,7		2,3	2,3	1 237,8				412,6		2,3	2,3	2 168,1
Hungary					64,9				680			0	744,9
Ireland	11,2				64,9				2,4			0	78,5
Italy	338,9				1 312,7	109,7		109,7	519,8	109,7		109,7	2 171,4
Latvia					17,9				61,1				79
Lithuania					8,4								8,4
Luxembourg	0,3												0,3
Malta									11				11
Netherlands	8,2				0,2								8,4
Poland					303,5				585,8				889,3
Portugal	85,0				240,3				85,7				411
Romania					27,4				71,6				99
Slovakia					119,8	18,2	3,3	21,5	368,4	18,2	3,3	21,5	488,2
Slovenia					2,9				46,8				49,7
Spain	225,9				2 913,5	17,6		17,6	426	17,6		17,6	3 565,4
Sweden	0,5				0,1				0,7				1,3
United Kingdom	126,9				159,9	10,9		10,9	81,3	10,9		10,9	368,1
TOTAL	1 409,3	0,0	2,3	2,3	6 765,5	172,5	3,3	175,8	4 171,1	172,5	5,6	178,1	12 345,9
ERDF	1 143,1				5 916,0				3 491,2				10 550,3
CF	266,2				849,5				679,9				1 795,6

3. Member States' reporting on withdrawals and recoveries, programming period 2007-2013 in EUR million*

Member State	Withdrawals and Recoveries						Out of which additional to the EC reporting ⁴⁰
	Reported at closure (Art. 20 reports sent at March 2018)			Cumulative reporting since 2007			
	Withdrawals EC Share	Recoveries EC Share	Total	Withdrawals EC Share	Recoveries EC Share	Total	
Austria	3,6	5,9	9,6	7,3	18,9	26,2	10
Belgium	0,4	0,9	1,3	3,2	3,3	6,4	0
Bulgaria	55,3	5,1	60,5	207,3	19,9	227,2	106,6
Croatia	0,1	0,3	0,4	8,5	2,0	10,4	9,5
Cyprus	7,8		7,8	9,2		9,2	9,2
Czech Republic	51,1	3,0	54,1	674,3	63,2	737,5	281,8
Denmark					0,8	0,8	0,8
Estonia	5,4	1,1	6,5	14,7	20,5	35,2	18,9
ETC	14,3	9,8	24,1	38,1	24,2	62,2	50,2
Finland	0,4	0,4	0,8	0,5	2,3	2,8	2,8
France	73,2		73,2	239,4	0,5	239,9	218,7
Germany	225,0	32,1	257,0	453,5	173,0	626,6	465
Greece	282,7		282,7	904,2		904,2	491,6
Hungary	257,7	16,8	274,5	741,7	75,7	817,4	137,4
Ireland	5,3		5,3	6,0	0,1	6,1	3,7
Italy	383,2	5,4	388,6	792,6	57,0	849,5	329,8
Latvia	2,6	42,4	45,0	2,7	87,8	90,5	29,4
Lithuania	0,4	1,4	1,8	6,4	14,3	20,7	20,7
Luxembourg							0
Malta	6,5	0,2	6,7	8,2	0,6	8,8	0
Netherlands	6,3		6,3	24,3		24,3	24,3
Poland	333,7	56,6	390,2	851,5	198,3	1 049,7	464
Portugal	75,9		75,9	321,0		321,0	235,3
Romania	3,4	144,6	148,0	61,5	392,9	454,4	382,8
Slovakia	65,1	14,1	79,3	390,5	54,9	445,4	77
Slovenia							0
Spain	838,4	0,6	839,0	2 220,3	1,5	2 221,8	1 795,8
Sweden	1,0	0,1	1,2	7,9	1,1	9,0	8,3
United Kingdom	90,9		90,9	295,9		295,9	214,6
Total	2 789,7	340,8	3 130,5	8 290,7	1 212,8	9 503,5	5 38820

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

⁴⁰ As a result of comparison for each Member State between national and EU reporting of implemented corrections.

ANNEX 7H:

2007-2013 ERDF / CF programmes: Financial Engineering Instruments

Nr.	MS	CCI	OP	closure status on 31.12.2020	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI
					Total Expenditure	Public Contribution	
1	AT	2007AT161P0001	OP Burgenland 2007-2013: Ziel Konvergenz/Phasing Out / EFRE	closed	12.473.170,12	7.944.694,34	0,00 €
2	AT	2007AT162P0002	OP Oberösterreich 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	closed	7.166.454,01	3.583.227,00	0,00 €
3	BE	2007BE161P0001	Programme opérationnel 'Convergence' Hainaut - FEDER	closed	233.401.121,30	233.401.121,30	
4	BE	2007BE162P0001	Programme opérationnel 'Compétitivité régionale et emploi' de la Région de Bruxelles-Capitale 'Cohésion et compétitivité territoriale' - FEDER	closed	5.637.188,00	5.637.188,00	10.710,66 €
5	BE	2007BE162P0003	Programme opérationnel 'Compétitivité régionale et emploi' - Wallonie (hors Hainaut) - FEDER	closed	169.996.987,17	169.996.987,17	0,00 €
6	BG	2007BG161P0001	Operational Programme Regional Development	pre-closed	33.000.506,19	33.000.506,19	0,00 €
7	BG	2007BG161P0003	Operational Programme Development of the Competitiveness of the Bulgarian Economy	pre-closed	349.005.353,31	349.005.353,31	0,00 €
8	CB	2007CB163P0064	Programme transfrontalier Grande Région	closed	1.509.572,89	457.098,67	0,00 €
9	CY	2007CY16UP0001	Sustainable Development and Competitiveness CF+ERDF	closed	20.000.000,00	20.000.000,00	0,00 €
10	CZ	2007CZ161P0004	OP Podnikání a inovace	closed	163.458.035,47	124.617.060,25	
11	CZ	2007CZ161P0010	ROP NUTS II Moravskoslezsko	closed	19.575.684,48	19.575.684,48	0,00 €
12	CZ	2007CZ16UP0002	Integrovaný operační program	pre-closed	24.368.769,09	24.368.769,09	0,00 €
13	DE	2007DE161P0001	Operationelles Programm EFRE Thüringen 2007 bis 2013	closed	167.538.691,66	167.538.691,66	0,00 €
14	DE	2007DE161P0002	Operationelles Programm EFRE Brandenburg 2007-2013	pre-closed	99.109.441,23	99.109.441,23	0,00 €
15	DE	2007DE161P0003	Operationelles Programm EFRE 2007 - 2013 Mecklenburg-Vorpommern	closed	41.390.221,93	41.390.221,93	0,00 €
16	DE	2007DE161P0004	Operationelles Programm EFRE Sachsen 2007-2013	pre-closed	81.046.046,55	78.677.621,55	0,00 €
17	DE	2007DE161P0006	Operationelles Programm EFRE Niedersachsen - Region Lüneburg 2007-2013	closed	16.000.000,00	16.000.000,00	0,00 €
18	DE	2007DE161P0007	Operationelles Programm EFRE Sachsen-Anhalt 2007-2013	pre-closed	403.120.644,92	403.120.644,92	0,00 €
19	DE	2007DE162P0001	Operationelles Programm EFRE Bayern 2007 - 2013	closed	102.223.352,97	87.223.352,97	0,00 €
20	DE	2007DE162P0003	Operationelles Programm EFRE Schleswig-Holstein 2007-2013	pre-closed	53.851.595,06	43.501.595,06	0,00 €
21	DE	2007DE162P0004	Operationelles Programm EFRE Berlin 2007-2013	pre-closed	222.850.534,55	222.850.534,55	0,00 €
22	DE	2007DE162P0005	Operationelles Programm EFRE Hessen 2007-2013	closed	57.908.777,34	57.908.777,34	0,00 €
23	DE	2007DE162P0007	Operationelles Programm EFRE Nordrhein-Westfalen 2007-2013	closed	108.387.849,26	108.387.849,26	0,00 €
24	DE	2007DE162P0008	Operationelles Programm EFRE Baden-Württemberg 2007-2013	closed	1.650.000,00	1.650.000,00	0,00 €
25	DE	2007DE162P0009	Operationelles Programm EFRE Hamburg 2007-2013	closed	13.400.000,00	13.400.000,00	0,00 €
26	DE	2007DE162P0010	Operationelles Programm EFRE Niedersachsen (ohne Region Lüneburg) 2007-2013	closed	62.200.000,00	62.200.000,00	0,00 €
27	DE	2007DE162P0011	Operationelles Programm EFRE Rheinland-Pfalz 2007-2013	closed	28.658.055,13	28.658.055,13	0,00 €
28	DK	2007DK162P0001	Innovation og Viden	closed	40.730.176,95	27.079.112,42	0,00 €
29	EE	2007EE161P0001	Operational Programme for the Development of Economic Environment	closed	127.273.698,29	127.273.698,29	0,00 €
30	EE	2007EE161P0002	Operational Programme for the Development of Living Environment	closed	49.736.539,73	49.736.539,73	0,00 €
31	ES	2007ES161P0001	Programa Operativo FEDER de la Región de Murcia	closed	7.064.916,21	7.064.916,21	0,00 €
32	ES	2007ES161P0002	Programa Operativo FEDER de Melilla	closed	8.055,20	8.055,20	0,00 €

Nr.	MS	CCI	OP	closure status on 31.12.2020	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI
					Total Expenditure	Public Contribution	
33	ES	2007ES161P0003	Programa Operativo FEDER de Ceuta	closed	510.544,45	510.544,45	0,00 €
34	ES	2007ES161P0004	Programa Operativo FEDER de Asturias	closed	738.910,99	738.910,99	0,00 €
35	ES	2007ES161P0005	Programa Operativo FEDER de Galicia	closed	28.048.986,48	28.048.986,48	31.317,00 €
36	ES	2007ES161P0006	Programa Operativo FEDER de Extremadura	closed	37.367.903,29	37.367.903,29	0,00 €
37	ES	2007ES161P0007	Programa Operativo FEDER de Castilla la Mancha	closed	25.082.334,68	25.082.334,68	0,00 €
38	ES	2007ES161P0008	Programa Operativo FEDER de Andalucía	closed	195.101.724,02	195.101.724,02	6 810 848,97 €
39	ES	2007ES162P0006	Programa Operativo FEDER de Cataluña	closed	51.746.453,95	51.746.453,95	0,00 €
40	ES	2007ES162P0009	Programa Operativo FEDER de Castilla y León	closed	8.222.594,76	8.222.594,76	0,00 €
41	ES	2007ES162P0010	Programa Operativo FEDER de la Comunitat Valenciana	pre-closed	14.038.449,63	14.038.449,63	0,00 €
42	ES	2007ES162P0011	Programa Operativo FEDER de Canarias	closed	9.838.425,46	9.838.425,46	0,00 €
43	ES	2007ES16UP0001	Programa Operativo FEDER de Investigación, Desarrollo e innovación por y para el beneficio de las Empresas - Fondo Tecnológico	pre-closed	356.368.900,69	356.368.900,69	0,00 €
44	FI	2007FI162P0001	Itä-Suomen EAKR-toimenpideohjelma 2007-2013	closed	30.364.923,01	22.158.663,04	0,00 €
45	FI	2007FI162P0002	Pohjois-Suomen EAKR-toimenpideohjelma 2007-2013	closed	25.617.568,99	18.786.791,91	0,00 €
46	FI	2007FI162P0003	Länsi-Suomen EAKR-toimenpideohjelma 2007-2013	closed	17.565.395,25	13.037.429,25	0,00 €
47	FI	2007FI162P0004	Etelä-Suomen EAKR-toimenpideohjelma 2007-2013	closed	8.197.186,43	5.288.479,62	0,00 €
48	FR	2007FR161P0001	Programme opérationnel FEDER Guyane	closed	12.262.887,79	10.867.364,07	0,00 €
49	FR	2007FR161P0002	Programme opérationnel FEDER Guadeloupe	closed	10.124.794,60	9.786.900,72	0,00 €
50	FR	2007FR161P0003	Programme opérationnel FEDER Martinique	closed	18.535.228,00	17.858.204,00	0,00 €
51	FR	2007FR161P0004	Programme opérationnel FEDER Réunion	closed	29.067.631,98	29.067.631,98	0,00 €
52	FR	2007FR162P0001	Programme opérationnel FEDER AQUITAINE	closed	17.637.130,14	10.249.580,82	0,00 €
53	FR	2007FR162P0002	Programme opérationnel FEDER CENTRE	closed	21.101.967,72	11.439.433,13	0,00 €
54	FR	2007FR162P0003	Programme opérationnel FEDER ALSACE	closed	26.349.304,65	13.688.309,95	0,00 €
55	FR	2007FR162P0004	Programme opérationnel FEDER AUVERGNE	closed	25.051.678,71	25.051.678,71	0,00 €
56	FR	2007FR162P0005	Programme opérationnel FEDER BASSE-NORMANDIE	closed	17.427.401,44	8.283.851,79	0,00 €
57	FR	2007FR162P0006	Programme opérationnel FEDER BOURGOGNE	closed	14.702.447,11	5.927.949,38	0,00 €
58	FR	2007FR162P0007	Programme opérationnel FEDER BRETAGNE	closed	7.945.563,00	3.972.781,60	0,00 €
59	FR	2007FR162P0008	Programme opérationnel FEDER CHAMPAGNE-ARDENNE	closed	11.986.821,50	5.982.190,28	0,00 €
60	FR	2007FR162P0009	Programme opérationnel FEDER CORSE	closed	55.488.000,00	36.388.000,00	4.267.455,21 €
61	FR	2007FR162P0010	Programme opérationnel FEDER FRANCHE-COMTE	closed	5.329.339,25	3.852.783,42	0,00 €
62	FR	2007FR162P0011	Programme opérationnel FEDER HAUTE-NORMANDIE	closed	2.687.211,46	2.687.211,46	0,00 €
63	FR	2007FR162P0012	Programme opérationnel FEDER ILE-DE-FRANCE	closed	12.532.405,86	9.532.405,86	0,00 €
64	FR	2007FR162P0013	Programme opérationnel FEDER LANGUEDOC-ROUSSILLON	closed	30.000.000,00	30.000.000,00	0,00 €
65	FR	2007FR162P0014	Programme opérationnel FEDER LIMOUSIN	closed	22.459.943,00	16.620.951,26	126.592,00 €
66	FR	2007FR162P0015	Programme opérationnel FEDER LORRAINE	closed	20.251.762,00	14.172.443,57	0,00 €
67	FR	2007FR162P0016	Programme opérationnel FEDER PAYS DE LA LOIRE	closed	2.000.000,00	2.000.000,00	0,00 €
68	FR	2007FR162P0017	Programme opérationnel FEDER NORD PAS-DE-CALAIS	closed	22.094.106,68	18.935.186,57	0,00 €
69	FR	2007FR162P0019	Programme opérationnel FEDER POITOU-CHARENTES	closed	9.498.984,50	9.498.984,50	0,00 €
70	FR	2007FR162P0020	Programme opérationnel FEDER PROVENCE ALPES COTE D 'AZUR	closed	38.585.030,00	38.585.030,00	0,00 €
71	FR	2007FR162P0021	Programme opérationnel FEDER MIDI-PYRENEES	closed	6.462.010,00	6.392.010,00	0,00 €
72	FR	2007FR162P0022	Programme opérationnel FEDER RHONE-ALPES	closed	6.961.517,00	6.031.842,00	0,00 €
73	GR	2007GR161P0001	Ανταγωνιστικότητα και Επιχειρηματικότητα	closed	302.015.917,66	302.015.917,66	0,00 €
74	GR	2007GR161P0002	Ψηφιακή Σύγκλιση	closed	13.886.339,17	13.886.339,17	0,00 €

Nr.	MS	CCI	OP	closure status on 31.12.2020	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI
					Total Expenditure	Public Contribution	
75	GR	2007GR161P0005	Περιβάλλον - Αειφόρος Ανάπτυξη ERDF+CF	closed	15.585.238,31	15.585.238,31	0,00 €
76	GR	2007GR161P0006	Αττική	closed	338.499.933,35	338.499.933,35	0,00 €
77	GR	2007GR161P0007	Δυτική Ελλάδα - Πελοπόννησος - Ιόνιοι Νήσοι	closed	4.025.255,15	4.025.255,15	0,00 €
78	GR	2007GR161P0008	Μακεδονία - Θράκη	closed	240.738.745,46	240.738.745,46	0,00 €
79	GR	2007GR16UP0001	Θεσσαλία - Στερεά Ελλάδα - Ήπειρος	closed	61.173.634,91	61.173.634,91	0,00 €
80	GR	2007GR16UP0002	Κρήτη & Νήσοι Αιγαίου	closed	39.842.635,52	39.842.635,52	0,00 €
81	HU	2007HU161P0001	Economic Development Operational Programme	closed	687.382.773,99	687.382.773,99	5.932.789,82 €
82	HU	2007HU161P0003*	Operational Programme for West Pannon	closed	6.880.361,00	6.880.361,00	353.258,17 €
83	HU	2007HU161P0004*	Operational Programme for South Great Plain	closed	6.880.361,00	6.880.361,00	359.926,81 €
84	HU	2007HU161P0005*	Operational Programme for Central Transdanubia	closed	6.880.361,00	6.880.361,00	348.176,86 €
85	HU	2007HU161P0006*	Operational Programme for North Hungary	closed	6.880.361,00	6.880.361,00	349.054,32 €
86	HU	2007HU161P0009*	Operational Programme for North Great Plain	closed	6.880.361,00	6.880.361,00	359.940,09 €
87	HU	2007HU161P0011	Operational Programme for South Transdanubia	closed	6.705.817,34	6.705.817,34	338.017,40 €
88	HU	2007HU162P0001	Operational Programme for Central Hungary	closed	131.714.787,67	131.714.787,67	914.522,51 €
89	IT	2007IT161P0001	Poin Attrattori culturali, naturali e turismo	closed	74.305.611,42	74.305.611,42	0,00 €
90	IT	2007IT161P0002	Programma Operativo Interregionale "Energie rinnovabili e risparmio energetico" 2007-2013	closed	77.838.785,41	77.838.785,41	0,00 €
91	IT	2007IT161P0006	Pon Ricerca e competitivita' - Riprogrammazione - 30 ottobre 2014	open	1.454.500.000,00	1.454.500.000,00	
92	IT	2007IT161P0008	POR Calabria FESR 2007 - 2013	pre-closed	77.100.923,59	77.100.923,59	0,00 €
93	IT	2007IT161P0009	Por Campania FESR	pre-closed	416.892.111,05	416.892.111,05	0,00 €
94	IT	2007IT161P0010	Programma Operativo FESR Puglia 2007-2013	closed	283.376.135,98	283.376.135,98	8.182.071,00 €
95	IT	2007IT161P0011	Por Sicilia FESR	open	220.715.577,58	220.715.577,58	
96	IT	2007IT161P0012	Por Basilicata ST FESR	pre-closed	21.999.999,18	21.999.999,18	9.566.548,69 €
97	IT	2007IT162P0001	Por Abruzzo FESR 2007-2013 riprogrammazione	closed	39.565.717,88	39.565.717,88	418.533,93 €
98	IT	2007IT162P0002	Por Emilia Romagna FESR Versione approvata dal Comitato di Sorveglianza 2015	closed	42.314.098,76	42.314.098,76	0,00 €
99	IT	2007IT162P0003	Por Friuli Venezia Giulia FESR versione 6	pre-closed	21.896.131,35	21.896.131,35	
100	IT	2007IT162P0004	Por Lazio FESR 2007-2013	closed	153.942.433,08	153.942.433,08	
101	IT	2007IT162P0005	Por Liguria FESR	closed	4.242.427.317,00	4.242.427.317,00	0,00 €
102	IT	2007IT162P0006	POR FESR 2007-2013 Lombardia	closed	134.755.617,62	134.755.617,62	0,00 €
103	IT	2007IT162P0007	Por Marche FESR	closed	16.958.876,37	16.958.876,37	274.331,74 €
104	IT	2007IT162P0008	POR Molise FESR Versione 5 - dicembre 2015	pre-closed	35.582.974,60	35.582.974,60	0,00 €
105	IT	2007IT162P0011	PO Regione Piemonte FESR - versione 6	closed	71.301.148,80	71.301.148,80	0,00 €
106	IT	2007IT162P0012	POR Toscana CreO(vers.n.7-Settembre2015)	closed	208.497.080,05	208.497.080,05	0,00 €
107	IT	2007IT162P0013	Por Umbria FESR	closed	32.204.609,07	32.204.609,07	0,00 €
108	IT	2007IT162P0015	Por Veneto FESR	closed	140.698.700,27	140.698.700,27	0,00 €
109	IT	2007IT162P0016	Por Sardegna ST FESR	pre-closed	367.264.806,98	367.264.806,98	0,00 €
110	LT	2007LT161P0001	2007-2013 m. Sanglaudos skatinimo veiksmų programa - ERDF + CF	closed	173.420.793,91	173.420.793,91	0,00 €
111	LT	2007LT161P0002	2007-2013 m. Ekonomikos augimo veiksmų programa - ERDF + CF	closed	265.838.739,57	265.838.739,57	0,00 €
112	LV	2007LV161P0001	Entrepreneurship and Innovations	pre-closed	192.490.329,87	161.933.103,00	0,00 €
113	MT	2007MT161P0001	Operational Programme I - Investing in Competitiveness for a Better Quality of Life	closed	12.000.000,00	12.000.000,00	0,00 €
114	NL	2007NL162P0001	Operationeel Programma Noord 2007-2013	closed	0	0	0,00 €

Nr.	MS	CCI	OP	closure status on 31.12.2020	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI
					Total Expenditure	Public Contribution	
115	NL	2007NL162P0002	Operationeel Programma West 2007-2013	closed	30.259.562,42	30.114.937,67	0,00 €
116	NL	2007NL162P0004	Operationeel Programma Oost 2007-2013	closed	17.636.364,00	16.636.364,00	0,00 €
117	PL	2007PL161P0001	Program Operacyjny Innowacyjna Gospodarka, 2007-2013	closed	136.708.885,24	136.708.885,24	0,00 €
118	PL	2007PL161P0003	Program Operacyjny Rozwój Polski Wschodniej 2007-2013	closed	47.947.328,85	47.947.328,85	0,00 €
119	PL	2007PL161P0005	Regionalny Program Operacyjny dla Województwa Dolnośląskiego na lata 2007-2013	closed	99.273.973,00	99.273.973,00	0,00 €
120	PL	2007PL161P0006	Regionalny Program Operacyjny Województwa Kujawsko-Pomorskiego na lata 2007 - 2013	closed	44.932.941,35	44.932.941,35	0,00 €
121	PL	2007PL161P0007	Regionalny Program Operacyjny Województwa Lubelskiego	closed	48.426.171,76	41.232.488,69	0,00 €
122	PL	2007PL161P0008	Regionalny Program Operacyjny Województwa Lubuskiego	closed	10.972.330,72	10.419.699,96	0,00 €
123	PL	2007PL161P0009	Regionalny Program Operacyjny Województwa Łódzkiego na lata 2007-2013	closed	51.820.707,76	51.820.707,76	0,00 €
124	PL	2007PL161P0010	Małopolski Regionalny Program Operacyjny na lata 2007-2013	closed	41.859.991,36	41.206.544,68	0,00 €
125	PL	2007PL161P0011	Regionalny Program Operacyjny Województwa Mazowieckiego	closed	72.856.862,37	72.856.862,37	0,00 €
126	PL	2007PL161P0012	Regionalny Program Operacyjny Województwa Opolskiego na lata 2007-2013	closed	24.973.306,38	24.973.306,38	0,00 €
127	PL	2007PL161P0013	Regionalny Program Operacyjny Województwa Podkarpackiego	closed	32.916.947,30	30.870.740,81	0,00 €
128	PL	2007PL161P0014	Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007-2013	closed	40.967.875,56	40.329.354,89	416.895,21 €
129	PL	2007PL161P0015	Regionalny Program Operacyjny Województwa Pomorskiego	closed	145.009.542,02	142.982.645,90	0,00 €
130	PL	2007PL161P0016	Regionalny Program Operacyjny Województwa Zachodniopomorskiego na lata 2007-2013	closed	103.643.739,17	103.643.739,17	0,00 €
131	PL	2007PL161P0017	Regionalny Program Operacyjny Województwa Wielkopolskiego	closed	197.682.870,39	197.682.870,39	0,00 €
132	PL	2007PL161P0018	Regionalny Program Operacyjny Województwa Świętokrzyskiego	closed	35.425.588,25	29.087.261,79	0,00 €
133	PL	2007PL161P0019	Regionalny Program Operacyjny Województwa Śląskiego Operational Programme for Region Silesia	closed	87.531.974,48	82.851.631,02	0,00 €
134	PL	2007PL161P0020	Regionalny Program Operacyjny Województwa Warmińsko-Mazurskiego	closed	30.567.675,63	30.567.675,63	0,00 €
135	PT	2007PT161P0001	PO Factores de Competitividade 2007-2013	closed	418.406.877,32	262.810.747,69	0,00 €
136	PT	2007PT161P0002	PO Regional do Norte 2007-2013	closed	67.582.418,00	67.582.418,00	0,00 €
137	PT	2007PT161P0003	PO Regional do Centro 2007-2013	closed	46.570.471,00	46.570.471,00	0,00 €
138	PT	2007PT161P0004	PO Regional do Alentejo 2007-2013	closed	26.566.087,00	26.566.087,00	0,00 €
139	PT	2007PT161P0005	PO Regional do Algarve 2007-2013	closed	30.401.898,91	23.865.898,91	0,00 €
140	PT	2007PT161P0006	Programa Operacional dos Açores para a Convergência 2007-2013	closed	2.745.343,52	2.745.343,52	0,00 €
141	PT	2007PT162P0001	PO Regional de Lisboa 2007-2013	closed	45.923.392,58	34.380.392,58	0,00 €
142	PT	2007PT162P0002	PO Valorização do Potencial Económico e Coesão Territorial da RAM 2007-2013	closed	5.351.747,13	5.351.747,13	2.062.190,60 €
143	RO	2007RO161P0002	Sectoral Operational Programme Increase of Economic Competitiveness	open	225.000.000,00	225.000.000,00	
144	SE	2007SE162P0001	Skåne-Blekinge	closed	12.825.617,42	11.103.481,94	0,00 €
145	SE	2007SE162P0002	Småland och Öarna	closed	11.420.018,41	11.373.250,99	0,00 €
146	SE	2007SE162P0003	Västsverige	closed	24.270.534,20	22.365.725,37	0,00 €
147	SE	2007SE162P0004	Östra Mellansverige	closed	16.267.905,71	16.267.905,04	0,00 €
148	SE	2007SE162P0005	Stockholm	closed	12.897.393,71	12.896.840,15	0,00 €
149	SE	2007SE162P0006	Norra Mellansverige	closed	14.446.543,14	14.446.543,14	0,00 €
150	SE	2007SE162P0007	Mellersta Norrland	closed	27.283.864,66	27.283.864,66	0,00 €

Nr.	MS	CCI	OP	closure status on 31.12.2020	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI
					Total Expenditure	Public Contribution	
151	SE	2007SE162P0008	Övre Norrland	closed	16.330.461,89	14.310.122,51	0,00 €
152	SI	2007SI161P0001	Operativni program krepitve regionalnih razvojnih potencialov za obdobje 2007 - 2013	closed	188.733.414,16	188.733.414,16	365.163,77 €
153	SK	2007SK161P0003	Regional Operational Programme	pre-closed	164.986.660,00	164.986.660,00	0,00 €
154	SK	2007SK161P0006	OP Competitiveness and Economic Growth	pre-closed	150.722.435,33	150.722.435,33	13.483,96 €
155	SK	2007SK162P0001	OP Bratislava Region	pre-closed	24.061.819,25	24.061.819,25	1.107.031,44 €
156	SK	2007SK16UP0001	OP Research and Development	pre-closed	22.700.896,20	22.700.896,20	59,02 €
157	UK	2007UK161P0001	Highlands and Islands of Scotland ERDF phasing out Convergence programme	closed	5.809.581,41	5.809.581,41	0,00 €
158	UK	2007UK161P0002	West Wales and the Valleys ERDF Convergence programme	pre-closed	104.745.368,38	52.372.684,18	0,00 €
159	UK	2007UK161P0003	Cornwall and the Isles of Scilly ERDF Convergence programme	pre-closed	5.381.551,00	5.381.551,00	0,00 €
160	UK	2007UK162P0001	Lowlands and Uplands of Scotland ERDF Regional Competitiveness and Employment programme	closed	204.937.023,09	204.937.023,09	27.829.714,32 €
161	UK	2007UK162P0002	South East England ERDF Regional Competitiveness and Employment programme	closed	3.596.852,47	3.596.852,47	0,00 €
162	UK	2007UK162P0003	Northern Ireland ERDF Regional Competitiveness and Employment programme	closed	10,981,374	10,981,374	0,00 €
163	UK	2007UK162P0004	East of England ERDF Regional Competitiveness and Employment programme	closed	82.419.003,60	82.419.003,60	0,00 €
164	UK	2007UK162P0005	North East England ERDF Regional Competitiveness and Employment programme	closed	206.725.905,00	206.725.905,00	0,00 €
165	UK	2007UK162P0006	London England ERDF Regional Competitiveness and Employment Programme	closed	158.445.486,32	158.445.486,32	0,00 €
166	UK	2007UK162P0007	West Midlands England ERDF Regional Competitiveness and Employment programme	closed	93.786.335,24	93.786.335,24	0,00 €
167	UK	2007UK162P0008	North West England ERDF Regional Competitiveness and Employment Operational Programme	closed	353.092.877,34	353.092.877,34	0,00 €
168	UK	2007UK162P0009	Yorkshire and Humberside England ERDF Regional Competitiveness and Employment programme	closed	230.305.664,06	230.305.664,06	0,00 €
169	UK	2007UK162P0010	East Midlands England ERDF Regional Competitiveness and Employment programme	closed	5.055.625,78	5.055.625,78	0,00 €
170	UK	2007UK162P0011	South West England ERDF Regional Competitiveness and Employment programme	closed	8.182.676,44	8.182.676,44	0,00 €
171	UK	2007UK162P0012	East Wales ERDF Regional competitiveness and Employment programme	closed	65.147.672,10	38.130.776,58	0,00 €
TOTAL					19.017.498.370,18	18.491.388.357,22	70.438.633,50 €

* 5 OPs contributed to 1 instrument with the same amounts

ANNEX 7I: Assurance for ENI CBC

On 1 January 2020 15 ENI CBC 2014-2020 programmes were transferred from DG NEAR to DG REGIO. These programmes cover territorial cooperation between regions on EU external borders with the Southern and Eastern Neighbourhood countries and Russia. So far, REGIO has performed desk work related to these programmes, mainly on the assurance packages received in February 2021. The reported error rates are all below 2%. However, in two cases⁴¹, the audit authority did not perform audit work but there is incurred expenditure. REGIO has no assurance on the legality and regularity of the expenditure for these programmes. They are in a reservation (see Annex 7O).

Total EU funding for these 2014-2020 programmes amounts to approximately **EUR 1 billion**. As a general rule, 50% comes from ERDF and 50% from ENI funds, but IPA funds are also included. The programmes contribute to both EU external (Neighbourhood) policy and EU regional policy.

The ENI CBC are implemented under shared management. However, they have **a different legal basis** than Interreg programmes. The applicable legal rules are ENI (Council) Regulation, ENI CBC Implementing Regulation No 897/2014 and ENI CBC multiannual strategic programming document. They combine elements of shared management, direct management and EU external policy aspects.

ENI CBC programmes 2014-2020 also have *a different financial management system* than other Interreg programmes. In particular, payments from the Commission to the programmes are done only as pre-financing paid at the request of the Managing Authorities (MA) and as a payment of a final balance at closure. There are no interim payment claims. Payment of the pre-financing is not directly linked to the expenditure incurred and paid in the programme. The MA may request a pre-financing of **up to 80%** of the annual EU commitment. In the event that the initial 80% pre-financing proves insufficient to cover all forecasted expenditure, the MA may request an additional transfer of all or part of the annual EU commitment.

The annual accounts are part of the annual report assessment package submitted by the managing authority every year by 15 February.

The Commission receives the information about the certified expenditure incurred and paid by the ENI CBC programmes only once a year in the annual accounts which are part of the annual reports submitted on 15 February. The reports cover the preceding accounting year which ends on 30 June. There, the MA reports the expenditure incurred and paid *as certified by the Audit Authority*. The Commission then clears the pre-financing on this basis.

REGIO assurance procedure as implemented so far has the following specificities as compared to procedures applied e.g. for Interreg programmes:

1. The verification of the programme accounts is currently shared between D.1 and C.4. C.4 has been involved in follow-up communication with the AA, but not with the MA. The overall responsibility of the process lies with D.1, unlike for Interreg or other REGIO programmes.

⁴¹ Lithuania – Russia, Ref. 204TC16M5CB006; and Latvia – Lithuania – Belarus, Ref. 204TC16M5CB008.

2. Unlike for Interreg, Unit D1/Directorate D is currently responsible for the confirmation of the amount reported by the MAs as the certified expenditure to unit A3 for the purpose of the clearing. The final acceptance of the accounts and of the amount which is cleared from the EU budget is done by the Director D.
3. There is no regulatory template for the accounts procedure, and very little formal EC guidance.
4. The **pre-financing payment** request is processed by REGIO D.1 and A.3. REGIO C.4 confirms by email the validity of their points raised in the accounts assessment and their awareness of any other issues related to management and control systems. The only way to interrupt the flows of EU funds to the programmes is through interruption/suspension⁴² of the pre-financing requests.

In 2020 ENI CBC programmes had to adapt to REGIO standards and procedures, including the use of reporting templates in SFC. While this did not trigger any significant issues in the majority of cases, there are individual programmes whose capacity in understanding the REGIO standards and requirements needs to be strengthened.

For the accounting year 2019-2020, EUR **33.5 million** was reported as expenditure paid for ENI CBC operations and EUR **8 million** was reported for technical assistance. However, the accuracy of the amounts claimed by individual programmes still needs to be verified during the quality assessment of the Annual report/Accounts.

At the same time, overall EUR **597 million** was paid to the ENI CBC programmes as pre-financing up to date (EUR **147.4 million** during 2020) and EUR **9.2 million** was cleared on the basis of incurred and paid expenditure so far.

⁴² The provisions of ENI CBC Implementing Rules include several reasons for interrupting the pre-financing payment deadlines. In particular, the interruption should happen if a programme does not submit some of the documents required for annual report and accounts or in case of significant deficiency of management and control system. The experience with the assessment of the accounts submitted in 2020 shows that even though the programmes have recently been designated, their management and control systems/procedures are not always up to the standards usual for the REGIO programmes.

ANNEX 7J: Assurance for EU Solidarity Fund

In 2020, the Commission awarded and paid out the EUSF contribution amounting to EUR 969.8 million for 6 affected applicant States relating to the natural disasters occurred in 2019 and 2020: namely hurricane Lorenzo in Portugal (regional disaster), extreme weather in Spain (regional disaster), extreme weather in Italy (major disaster), extreme weather in Austria (neighbouring state natural disaster), earthquake in Croatia and floods in Poland (regional disaster).

For the natural disasters, the EUSF contribution is determined by awarding 2.5 % for the part of total direct damage up to the 'major disaster' threshold and 6 % for the part of the damage exceeding the threshold; accordingly, for regional disasters and disasters accepted under the 'neighbouring country' provision, the EUSF contribution is 2.5 % of total direct damage. In addition, by the deadline of 24 June 2020, the European Commission had received 22 applications (19 from Member States and three from accession countries) for financial contribution from the EUSF for major health emergency due to COVID-19 which were assessed in a single package to ensure consistent and equitable treatment. Based on its preliminary assessment, the Commission paid in total the amount of EUR 132.7 million in advance payments to Germany, Ireland, Greece, Spain, Croatia, Hungary, and Portugal in relation to their applications for assistance in response to the major public health emergency caused by the COVID-19 pandemic in early 2020.

In the same year, six implementation reports and validity statements / audit opinions were submitted to REGIO for disasters for which EUSF assistance was paid in 2018. These are currently being assessed. In 2020, the Commission closed four EUSF intervention: 2014 Sardinia floods (Italy), Slovenia ice storm, 2016 UK flooding and Lefkada earthquake in Greece. The Commission performs in general one audit on the spot with regard to EUSF actions per year which could not be performed within the pandemic situation.

The Commission performs one audit on the spot per year. The Audit Plan 2020 included a financial assistance in favour of the UK. Because of the pandemic, the ex-post verifications have been carried out remotely starting December 2020. The granted assistance was implemented with a significant overbooking (i.e. more than 50% of the approved amount). The initial findings reflect the difficulty of the auditees to provide in full the requested supporting documents and information. At the moment of drafting of this Annual Activity Report, such findings are still under contradictory procedure.

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

Based on the received audit opinions and audit work carried out so far, the Directorate-General can conclude that it has reasonable assurance on the compliance of EUSF expenditure that was accepted in 2020. No reservation is made.

ANNEX 7K: Assurance for direct and indirect management

Indirect management: Urban Innovative Actions

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

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

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

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

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

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

All five calls for proposals on Urban Innovative Actions have been completed in 2015, 2016, 2017, 2019 and 2020 with a total budget of EUR 368.5 million leading to the selection of a total of 86 projects from 19 Member States and the United Kingdom, which are at different stages of implementation. In 2020, a first external assessment study of the 'Urban innovative actions' was carried out and published in December (*) with the view to check how the UIA is performing and could be simplified or optimized in view of its renewal as part of the European urban initiative 2021/2027. The Hauts-de-France Region, in close cooperation with Commission's services, also endorsed an UIA knowledge management strategy 2020-2023(**) with the view to systematize the capitalization, dissemination and transfer of the UIA projects' experience, as a first policy response to the recommendations formulated in the assessment study.

In 2020, REGIO paid in indirect management EUR 45 million for Urban Innovative Actions as last annual first pre-financing payment to the Region Hauts-de-France, bringing the total ERDF advanced

payments released on the Initiative at EUR 297.5 million.

Indirect management: Instrument for Pre-Accession

The five IPA component III programmes for 2007-13 in Turkey, North Macedonia and Montenegro are managed under indirect management, with the EU delegations carrying-out ex-ante controls on the tendering of contracts, launch of calls for proposals and the award of contracts and grants. This represents an important mitigating element in the overall assessment of the functioning of management and control systems in candidate countries.

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

Indicator	2020
Weighted average error rate on 2020 payments as reported by the audit authorities	0.01%

The five programmes are in the closure process to be completed in 2021. REGIO has assessed for all three countries the NAO's statement of assurance, the system audit reports, the annual audit work plan, the annual audit opinion and the annual audit activity report, which were submitted at the end of 2019.

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

However, some financial corrections will be required at closure, e.g due to the non-completion of a major project under the Turkish OP Environment. For the Turkish OP Regional Competitiveness, a dispute relating to a termination of a contract has resulted in the lodging of a Court case against the Commission in January 2021 [case (T-22/21) Equinoccio-Compañía de Comercio Exterior, SL (contractor) v European Commission]. Finally, both Montenegro and North Macedonia requested in 2020 the possibility to use the remaining funds on the IPA I Component III euro account to implement mitigation measures to fight the consequences of the COVID-19 crisis, which the Commission accepted. As the closure of the programmes were postponed until the refund of the total amount, some additional verifications by the Audit Authorities have been requested.

Direct management

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

The assurance system for direct management comprises the following blocks:

Programming: overall and individual action

For technical assistance, assurance that operations cover the needs of the DG and are carried out according to priorities is derived from the programming exercise. The main objectives and priorities for technical assistance interventions in the 2014-2020 period are spelled out in the TA strategy. Specific actions implementing the TA strategy are identified by REGIO services and are

consolidated and assessed against the overall strategy through the preparation of the annual Financing decision and its mid-year modification. Reporting on the implementation of the TA strategy (financial execution of the yearly Financing Decision and annual progress in implementing the TA strategy) gives additional assurance that TA funds were used for their intended purpose.

Tendering and contracting

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

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

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

Monitoring of implementation and payments

In accordance with the partly decentralised financial circuit, payments are approved following the 4-eye principle (each file is double-checked both on operational and financial aspects). Operational monitoring is carried out along the life of the contracts by the implementing services; generally through verifications of deliverables (e.g. interim, final reports).

Ex-post controls

Additional assurance is provided through the performance of ex-post controls on a sample of payments (including both mainstream and direct payments), to ensure that these were duly authorised, paid to the right beneficiaries, properly accounted for and materially correct. There were no critical or very important findings identified for 2020 payments.

Indicator	2020
Ex-post review of payments	22 direct payments 8 mainstream payments

In 2020, REGIO paid EUR 144 million in direct management. The budget under direct management was used mainly for operational and administrative technical assistance for ERDF and the Cohesion Fund.

In 2020, two direct grants were object of ex-post verification. They were representing 43% of the total paid amount referring to auditable direct grants closed in 2019. The detected error (amount) was less than EUR 3 000 representing an error rate of 0.1%. On this basis, REGIO can conclude that it obtained reasonable assurance about the legality and regularity of the expenditure related to direct grants.

Budget implementation tasks entrusted to other services and entities

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

No cross-sub-delegations were given to other Directors-General in 2020.

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

- AGRI (EUR 1.0 m): contribution for FI Compass;
- EMPL (EUR 0.86 m) for a contribution to the Evaluation Helpdesk, the Monitoring helpdesk, support for AIR analysis and FI Compass;
- MARE (EUR 0.24 m) for IT support activities;
- NEAR (EUR 0.51 m) for ENI-IT, audits and contract agents.

A total of EUR 4.5 million was disbursed on behalf of REGIO by DG Human Resources (EUR 0.3m), and the Paymasters Office (EUR 4.2m) for staff-related expenditure such as staff reinforcements via short-term contracts, contract agents, seconded national experts, committees and missions.

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

ANNEX 7L: Fraud prevention and detection

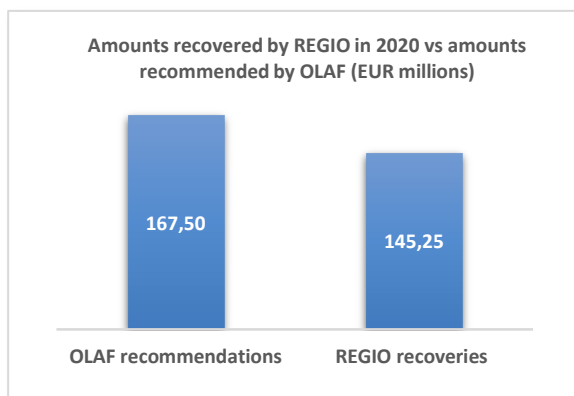
Action taken in follow up of OLAF financial recommendations and its financial monitoring:

In 2020, REGIO has monitored the follow up to all shared management expenditure OLAF cases within its scope of responsibilities gathering complete and systematic information in the area of Structural/Cohesion funds shared management programmes. The monitoring activity covers information on the Programming period, the EU-fund(s) affected, the Member State concerned, the programme and project concerned, the date of transmission of the OLAF final report, the amount of financial recommendation by OLAF information and the REGIO follow up action taken. REGIO lists the amount concerned and the type of recovery accepted by the Member State, the date of closure of the follow up, and other specific information for statistical purposes. This list of OLAF cases in particular provides information to closely monitor all fraud cases and to draw lessons for purposes of risk analysis on a bi-annual basis.

In 2020, about 89 ERDF/Cohesion cases were under selection in OLAF, out of which fourteen are under investigation by OLAF, all programming periods considered. One case was already closed without Recommendation.

Recoveries

In 2020, thirteen follow up OLAF investigations were closed with financial recommendation. Based on this population, the recovery rate for OLAF financial recommendations in 2020 amounts to 86,7% of the volume of all recommendations. 70% of the cases had recoveries equal or superior to OLAF Recommendation. 30% of the cases had a recovery inferior to the OLAF Recommendation.



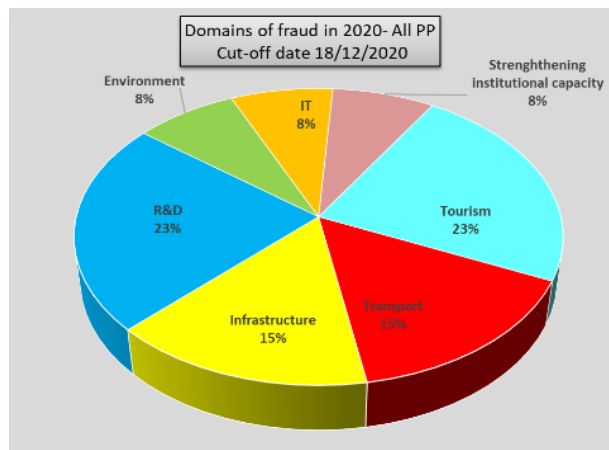
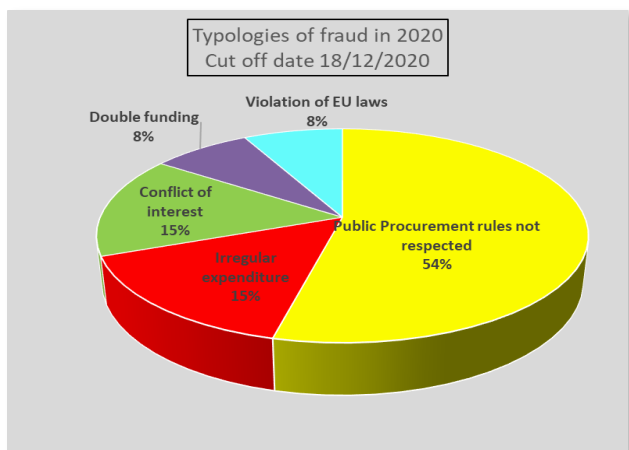
The reasons for this lower recoveries lies in the different interpretation by the Member States of the legal bases and the refusal of OLAF findings by the Member States. The final decision is also based on the result of the consultations systematically organised with the concerned Member States authorities.

In total, REGIO recovered from Member States authorities EUR 145 256 410 of the total amount of financial recommendations issued by OLAF (EUR 167 501 940).

REGIO succeeded in 2020 in closing three of the oldest still open follow up cases after an initial rejection of the OLAF findings by the Member States concerned. The three cases were for very long under judicial procedures at national level. Two cases from 2010 and 2011 led to a partial recovery. The Member States initially fully rejected the findings. Ultimately REGIO partially accepted their views. The third case, dated 2011, led to a full recovery in agreement with the Member State.

16% of the cases are under investigation. The remaining cases are either under evaluation by OLAF, or have been dismissed.

In all cases, the collaboration between REGIO and OLAF has again been very active, notwithstanding the particular remote working circumstances in 2020 due to the pandemic.



Despite the COVID crisis and the difficulties faced by desk officers, investigators and auditors, REGIO result are higher than in 2019 and exceeds the average recovery rate of the Commission.

Financial monitoring

In 2020, REGIO has responded to the OLAF requests for update financial monitoring of OLAF cases, completing the tables with **187 OLAF cases**, opened since 2006.

List of OLAF case financial recommendations for which follow up was completed in 2020 by REGIO:

OLAF N°	REGIO Status	Period	Fund	MS	Programme	Date of final report (if any)	Financial Recommendation from OLAF (final case report)	Financial Impact in REGIO (FAER)	Amount recovered	Amount prevented from being unduly spent	Type of recovery (Withdrawal at closure, Decertification by MS, Financial correction)	Date of closure
OF/2010/xxxx	FFU closed	2000-2006/ 2007-2013	ERDF	HU	Environment and Energy (2007HU161PO002), Central Transdanubia (2007HU161PO005), Regional programme (2003HU051PO001)	20-05-2015	46.139.159	36.000.000	36.000.000	0	Withdrawal at closure	29-01-2020
OF/2011/xxxx	FFU closed	2007-2013	ERDF	HU	2007HU161PO010	17-06-2015	8.000.000	1.087.867	1.087.867	0	Financial correction	19-03-2020
OF/2011/xxxx	FFU closed	2000-2006	CF	RO	2004RO16PPA001 2000RO16PPT001 2003RO16PPT007 2001RO16PPT005	04-04-2016	2.154.889	2.154.889	2.154.889	0	Decertification by MS	12-02-2020
OF/2013/xxxx	FFU closed	2007-2013	ERDF	HU	2007HU161PO002	21-12-2015	476.069	18.275	23.163	0	Withdrawal at closure	05-03-2020
OF/2015/xxxx	FFU Closed	2007-2013	ERDF	HU	2007HU161PO002 Environment and Energy	04-01-2018	43.744.938	38.287.067	38.287.067	0	Withdrawal at closure	20-02-2020
OF/2016/xxxx	FFU closed	2007-2013	ERDF/ CF	ES	2007ES161PO009; 2007ES162PO010; 2007ES161PO001; 2007ES161PO008	N/A	54.690.597	54.690.597	54.690.597	0	Decertification by MS	10-01-2020
OF/2014/xxxx	FFU Closed	2007-2013	ERDF/ IPA	HR	2007HR161PO002 Operational Programme Transport	05-01-2017	1.219.852	1.219.852	731.911	487.941	Decertification by MS	15-10-2020
OC/2017/xxxx	FFU Closed	2007-2013	ERDF	AT	2007AT162PO002 OP EFRE Regionale Wettbewerbsfähigkeit Oberösterreich	04-04-2019	525.000	525.000	525.000	0	Decertification by MS and Financial correction	04-09-2020
OC/2017/xxxx	FFU closed	2007-2013	CF	HR	2007HR161PO003 OP Environment (2013HR161PR009)	24-04-2018	7.248.147	7.248.147	7.248.147	536.961	Withdrawal at closure	03-02-2020
OC/2017/xxxx	FFU closed	2007-2013	ERDF	UK	South West England OP	24-03-2020	346.639	346.638	346.638	0	Financial correction	24-03-2020
OC/2018/xxxx	FFU closed	2007-2013	ERDF	FR	OP Guadeloupe	08-01-2020	175.672	355.251	355.251	0	Decertification by MS	01-07-2020
OC/2017/xxxx	FFU closed	2007-2013/ 2014-2020	ERDF	PL	OP Intelligent Development 2014-2020 OP Innovative Economy 2007-2013 OP Lubelskie Voievodship 2007-2013	05-11-2019	1.102.425	1.102.425	1.102.425		Decertification by MS	08-01-2020
OF/2014/xxxx	FFU closed	2007-2013	ERDF/ ESF	HU	2007HU161PO008 (TIOP) 2007HU162PO001 (KMOP) 2007HU05OP001 (TAMOP)	30-05-2017	1.678.553	1.678.553	1.678.553	0	Withdrawal at closure	03-06-2020

ANNEX 7M: European Court of Auditors: Audit observations and recommendations

Annual report for 2019

The European Court of Auditors (the Court) published its Annual Report for the budgetary year 2019 in November 2020, based on its 2019 Statement of Assurance audits. Chapter 5 of the report is dedicated to economic, social and territorial Cohesion policy, with REGIO and EMPL's funds accounting for respectively 71% and 26% of the spending covered by this chapter. The audit sample drawn by the Court was composed of payments relating both to the closure of the 2007-2013 programming period (12% of the audited population) and the implementation of the 2014-2020 programming period (88% of the audited population) under the revised control and assurance framework, including annual accounts and annual residual total error rates for these accounts once financial corrections were applied at programme level.

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

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

In its 2019 Statement of Assurance, the Court examined a sample of 236 transactions selected from 20 assurance packages from 2014-2020 and four closure packages from 2007-2013, the work done by audit authorities to validate the information contained in those packages and the Commission's work when reviewing and validating the assurance and closure packages received in 2017/2018 accounting year. Part of the Court's sample consisted of eight financial instruments from the 2014-2020 period. For this, the Court selected instruments from which payments had been made to final recipients in the 2017/2018 accounting year.

Main conclusions based on the review of the sampled transactions:

The Court identified and quantified 29 errors that had not previously been detected by the audit authorities and estimated the level of error to be 4.4%, applying to both 2014-2020 payments and 2007-2013 closure balances. It is lower than in the previous year (5%).

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

applying further corrections where necessary.

In 2019, for the third year audit authorities have reported errors following the agreed typology with the Commission. This allows showing that national and Commission audits conclude on the same types of errors, in line also with the Court. The audit authorities reported 64 quantifiable errors for the transactions sampled by the Court. The Court identified 29 additional errors, less than in previous year (34). The most frequent types of errors found show that management verifications, as the first line of defense, still need to be strengthened to prevent errors.

The main sources of the errors identified by both the Court and the audit authorities were linked to ineligible projects and expenditure (67% of all errors). In particular, the Court identified five projects for which aid was granted to beneficiaries or operations that did not meet the eligibility conditions set out in the applicable regulation and programmes (accounting for 2.2 percentage points of the Court's estimated level of error). Three cases relate to operations that were physically completed or fully implemented at the date of application for funding, and therefore not eligible, even if some financial transactions remain open. It is up to the managing authority to assess those concepts for each operation. The Commission will provide further clarification to Member States and will continue to monitor the strict implementation of the rules.

Other main errors relate to internal market rules (public procurement and state aid, accounting for 24% of all errors identified). Only two errors linked to public procurement issues were quantified by the Court with an impact of 0.6 percentage points of the estimated level of error. It shows the impact of the Commission's capacity building actions in this area and the better detective capacity of programme authorities. Finally, the Court identified a project which should not have obtained public funding due to State Aid rules. This systemic issue, linked to the lack of incentive effect with a national State aid scheme had been previously identified by the Commission and already reported in the previous ECA Annual report. The Commission had already requested from the Member State concerned to adopt necessary corrective measures and to change its practice without delay, which has been done.

As in the previous year, the Commission referred to the 'worst-case scenario' it transparently disclosed in the 2019 Annual Activity Reports where based on our professional judgement, REGIO mentioned that the residual risk of error for accounts accepted in 2019 could still raise up to a maximum of 3.8%, taking account of either possible additional errors or the final outcome of ongoing contradictory procedures. On this basis, the Commission noted that the error rate reported in the 2019 REGIO AAR (between 2.7% and 3.8%) was fully within the range calculated by the Court for cohesion (2.1%-6.7%). REGIO considers that it confirms its analysis that the Commission assessment is robust and reflects a reasonable and fair estimate of the error rates for each programme and cumulatively. Both the Commission and the Court concluded that the overall risk remained material (above 2%), and the Commission provided in its AAR the list of the programmes which needed to carry out additional financial corrections to have eventually a residual risk below 2% for each programme.

The Commission services systematically follow-up all errors found by the Court and make all necessary corrections, at individual or programme levels, as deemed necessary. They will also continue to work in close collaboration with the Court to further align audit methodologies and interpretation of legal texts. The Commission has already taken several actions to further decrease the risk of errors in the areas pointed at by the Court, see below under ['Recommendations issued by the Court'](#).

Assessment of the work of audit authorities:

The Court assessed the work of 18 (out of 116) audit authorities in reviewing 24 assurance/closure packages. Based on the additional errors they identified as mentioned above, they consider that the residual error rate should be above the materiality threshold for nine of the 20 assurance packages of the 2014-2020 period, mentioning that in its AAR, the Commission had already adjusted the residual error rate for eight of these packages. In five packages, they found weaknesses likely to affect the representativeness of the audit samples and the accuracy of the reported error rates in some cases. They acknowledged some improvement in the way audit authorities document their work and reported some good practices as they could clarify more issues without visiting the beneficiary's premises. In this context, the Court welcomed the Commission's and audit authorities' joint initiative to improve the documentation of audit authorities' work through a working group which put out a 'Reflection paper on audit documentation' end 2019 as a first step in improving the way audit authorities perform and document their work.

The Commission notes that further improvements are necessary in some management and control systems to ensure that all errors are timely detected and corrected. It considers however that the additional errors found by the Court do not indicate a widespread failure in the functioning of audit authorities. It continues working intensively with all audit authorities to ensure that they work up to expected standards. Such cooperation includes various guidance notes on assurance packages, the elaboration of a methodology for auditing financial instruments, technical meetings to discuss methodological issues, the development of jointly shared and agreed sampling techniques to ensure representative and reliable error rates and the adoption of joint audit tools and checklists. In parallel, the Commission will also continue its technical dialogue with the Court in order to provide a stable and predictable audit framework against which audit authorities are assessed.

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

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

It also referred to the compliance audits performed by the Commission (14 by REGIO in 2019) and its conclusions, leading in some cases to recalculate the residual error rate above the materiality threshold. The Court is currently analysing in an ongoing audit the relevance, reliability and consistency of the annual level of error for Cohesion expenditure which the Commission calculates as a result of its audits. The audit will also assess the Commission's reservations and their coverage of all material risks.

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

additional financial corrections.

Report of the Court on the performance of the EU Budget

The Court has published its first self-standing 2019 annual report on performance with a chapter 3 dedicated to Economic, Social and Territorial Cohesion. The report has focussed this year on two funds, ERDF and Cohesion Fund, and four thematic objectives: shift towards low carbon, protecting the environment, promoting sustainable transport and enhancing competitiveness of SMEs.

The report assessed that five years after the launch of the 2014 – 2020 programme period only about one third of the 72 programme indicators for ERDF and CF were on track. The Commission noted that several particular elements have to be taken into account in order to assess the actual performance of the funds:

- ERDF and Cohesion Fund resources are committed for the years 2014-2020, but costs are eligible until the end of 2023. As such, the ERDF and the Cohesion Fund have a 10-year implementation period;
- The latest performance data available at the time of the Court's assessment, in accordance with the regulatory requirements, reflects the achievements up to 2018 and therefore cannot prejudge on the actual performance of the funds in 2019;
- There is always a time lag for long-term investment policies between programming, selection of operations, implementation and results to materialise. Further delays in implementation were induced by the late adoption of the 2014-2020 legislative framework for cohesion policy;
- Past evidence shows that the bulk of tangible achievements takes place only in the second half of the programming cycle. This follows closely the progress of financial implementation and is confirmed across a number of performance indicators for both the ERDF and the CF, where 2018 indicator values show a steep increase compared to 2014-2017 cumulative achievements.

In the Commission's view, the monitoring data available suggests that the implementation progress of the Funds shows good prospects to reach the objectives set and the 2023 targets. The Commission closely monitors the programmes' implementation and their performance and provides continuous support to national authorities in reacting to new challenges.

Recommendations issued by the Court:

The Court issued the following recommendations in chapter 5 of its 2019 Annual report:

Recommendation 1 – Project eligibility conditions

Clarify what is meant by 'physically completed' and/or 'fully implemented' operations. This would help Member States to verify that operations comply with Article 65(6) of the CPR and avoid the non-detection of ineligible operations. It should be made clear that this condition relates only to works or activities necessary to achieve the operation's output, and not to financial and administrative aspects. Target implementation date: immediate. The Commission has accepted this recommendation.

The CPR does not contain the definition of 'physically completed or fully implemented operation' referred to in Article 65(6). The Commission is of the opinion that given the varied nature of

operations, compliance with the provisions of Article 65(6) must be assessed by programme authorities for each operation concerned on the basis of its own merits, taking into account its specificities its scope as defined in the contractual grant decisions and compliance with national law. In doing this, programme authorities must ensure compliance with Article 65(6) CPR. The risk of selection of 'physically completed' and/or 'fully implemented' operations varies between Member States and programmes, and is in particular linked to one Member State where the border between national and EU schemes is deliberately kept thin to allow mobilising national investments rapidly whenever needed. The Commission has already explained in a Q&A the difference between operations 'physically completed' and other operations that could be considered 'fully implemented', due in particular to absence of a physical object/investment. It has agreed to the need to provide further clarification to this Member State based on experience collected so far to avoid any risks. Moreover, the clarification provided to this Member State will be further made available to other Member States concerned.

Recommendation 2 – Action to increase the reliability of the residual rates reported by audit authorities

Analyse the main sources of undetected errors and develop the necessary measures together with audit authorities to improve the reliability of reported residual rates. Target implementation date: June 2021. The Commission has accepted the recommendation.-

The Commission is already providing in its AARs an overall analysis by comparing the main error types identified by the audit authorities and by the Commission auditors, and refers to the audit authorities which are considered not to provide reliable results and the underlying reasons for it.

Furthermore, a discussion on existing discrepancy of the Commission findings and the audit authority's findings are a permanent point in the Annual Coordination Meetings since 2018. A more structured discussion with the concerned audit authorities will as from 2020 include a detailed analysis of the additional errors found by EU audits, with recorded actions by the audit authorities to address the non-detection of these errors.

A study on REGIO audit findings from the periods 2007-2013 and 2014-2020 was performed end of 2020, to be shared in its extended version with audit authorities.

The Court also issued a recommendation in its chapter 2 on Budgetary and financial management on the necessity to continue producing an annual report on the financial instruments in the next MFF, which has been accepted the recommendation. The Commission mentioned however that under the next MFF the annual report will not be prepared at the level of individual financial instruments, but at the level of priorities, covering the scope of information which is submitted to the Commission in line with the future regulatory framework.

Follow-up of previous recommendations

REGIO systematically follows up the recommendations issued by the Court in its Annual Reports and accepted by the Commission. In its 2019 Annual report, the Court assessed that the recommendations issued in 2016, 2017 and 2018 with an expired expected implementation date have been implemented, either fully or in most/some respects, except one recommendation on the VAT eligibility in cohesion policy issued in 2017. The Commission considers however that it has addressed the Court's concern on this issue through an alternative proposal on VAT eligibility for post-2020.

The following table gives an overview of the status of implementation of the recommendations for which REGIO is responsible, as registered by the Commission in the RAD database.

Annual Report	Number of recommendations issued	DONE/CLOSED	OPEN
2014	7*	7	0
2015	6*	6	0
2016	7	7	0
2017	7	7	0
2018	3	2	1

* The 2014 and 2015 recommendations asking to submit a legislative proposal to amend Regulation (EC) No 1083/2006 with respect to the extension of the eligibility period for financial instruments under shared management were rejected by the Commission.

Summary of the results of the most strategic Court's Performance audits and reports published in 2020 involving cohesion policy and its funding

SR 07/2020 "Implementing Cohesion policy: comparatively low costs, but insufficient information to assess simplification savings"

ECA examined whether the costs of implementing Cohesion policy funds are comparable to other similar schemes and whether the underlying information is complete, consistent and coherent. The auditors also checked whether this information allows for analysis and decision taking on legislation and simplifying rules.

The auditors found that the costs of implementing the EU cohesion policy funds are comparatively lower than for other European and international funding programmes. However, they concluded that the Commission had not collected underlying data on costs that were complete, consistent and coherent enough to allow this data to be used, for example, for assessing the impact of simplifying EU rules on the implementation of the programmes. For the 2014-2020 period, for instance, the Commission estimated that the introduction of several simplification measures should lead to a reduction of administrative costs. Conversely, in a survey carried out by the ECA, Member States said they expected an increase. In this regard, the auditors note that the estimated cost savings from simplification measures for the 2014-2020 and 2021-2027 periods may not be reached, as the greatest scope for simplification may lie in the national or regional administrative practices.

The auditors recommended that the Commission should explore further the potential for further savings, assess administrative practices in Member States, in close cooperation with them, and assess whether the estimated costs savings have materialised.

SR 08/2020 "EU investments in cultural sites: a topic that deserves more focus and coordination"

The ECA auditors looked at the effects of EU investments aiming at promoting cultural sites and ensuring the safeguard of Europe's cultural heritage. They assessed the financial and physical sustainability of a number of sites which had received aid, in seven Member States.

The auditors observed that culture is incorporated into different strategies and policies at EU level, suffering from limited coordination and a lack of focus on the preservation and financial sustainability of cultural sites. In order to address the shortcomings identified, the auditors

recommend the European Commission should:

- improve the current EU strategic framework for culture within the remit of the Treaties;
- encourage the use of private funds to safeguard Europe's cultural heritage;
- strengthen the financial sustainability of cultural sites funded by the ERDF; and
- take more specific action to preserve heritage sites.

The Commission accepted the recommendations, highlighting however that culture is an area of primary competence of the Member States where the European Commission has to observe the subsidiarity principle. The Commission also underlined that even though the ERDF may be an important source of funding for public investments in cultural sites in some Member States, the support to cultural sites is only a marginal field of investments in most ERDF programmes. The objective of ERDF investment is primarily to contribute to reinforcing economic, social and territorial cohesion, in line with the legal base for Cohesion Policy in the Treaty. It means that any investments with a cultural dimension have to contribute to attaining this objective.

SR 10/2020 “EU transport infrastructures: more speed needed in megaproject implementation to deliver network effects on time”

In 2013, the EU Member States agreed to have the core TEN-T network ready by 2030. While the Treaty gives Member States responsibility for implementing projects in the transport network, the EU is contributing by identifying and supporting projects of common interest. The auditors examined whether the construction of large-scale motorways, railways and waterways with cross-border impact on the EU core transport network was well planned and efficiently implemented.

The auditors concluded that construction was delayed on all the megaprojects examined, mainly due to poor coordination between countries. Over time, the costs of the sampled megaprojects have increased considerably, often due to changes in project design and scope, as well as due to inefficient implementation. The auditors identified weaknesses in Member States' cost-benefit analyses of these multibillion-euro investments: traffic forecasts were potentially overoptimistic and some projects may not be economically viable. The auditors also noted that the Commission did not assess the construction specifications independently based on potential passenger and freight traffic flows before awarding EU funding and that the Commission's supervision of network completion by the Member States needs to be strengthened.

SR 11/2020 “Energy efficiency in buildings: greater focus on cost-effectiveness still needed”

Faced with the challenge of mitigating climate change, EU leaders have committed to saving 20 % of the EU Member States' projected energy consumption by 2020 and 32.5 % by 2030. The ECA audit aimed to assess how cost-effectively EU co-funded energy efficiency investments in buildings are helping the EU to achieve its targets. The ECA aimed to issue recommendations that should help the EU to achieve its 2030 energy efficiency target by improving the cost-effectiveness of its 2021-2027 cohesion policy spending.

The ECA acknowledged that the Commission has issued extensive guidance for improving energy efficiency investments in buildings, including their cost-effectiveness, as the ECA recommended in

their special report 21/2012. The ECA found examples of good practice: the use of financial instruments combined with grants and the modulation of the level of the aid rate to increase the leverage of private funding and reduce the risk of deadweight. The ECA also found that Member States required projects to be based on an energy audit, to deliver some levels of energy savings, and to improve the buildings' energy rating. The ECA audit referred to the following weaknesses: grants remain the main form of support for energy efficiency investments funded by the EU and are not reserved for deep renovation, project selection is not sufficiently driven by cost-effectiveness rationale, and selection criteria are not prioritising most cost-effective projects. The ECA also stated that the Commission allocated the performance reserve for energy efficiency measures based on spending and outputs, rather than on energy saved and that the existing indicators cannot be used to monitor cost-effectiveness.

Follow-up to previous ECA recommendations:

The Court conducted in 2020 a follow-up of eight special reports published in 2017 and involving directly or indirectly REGIO (SR 01/2017 on Natura 2000, SR 02/2017 on negotiation of 2014-2020 partnership agreements and operational programmes, SR 04/2017 on protecting EU budget from irregular spending, SR 12/2017 on drinking water directive, SR 13/2017 on ERTMS -European rail traffic management system, SR 15/2017 on ex-ante conditionalities and performance framework in 2014-2020, SR 16/2017 on rural development programmes and SR 20/2017 on SME Guarantee facility).

The Commission considers that all recommendations issued in those special reports and accepted have been implemented, except for the ones which have an implementation date not yet reached. The Court's assessment on the implementation of these recommendations will be reported in its next Annual Report.

ANNEX 7N: Details about cost of controls

The detailed figures on the cost of control at Commission⁴³ level are reported below.

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

Shared management							
Ex ante controls			Ex post controls			Total	
EC total costs (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A ⁴⁴	N/A	N/A	86,884,039.65	43,793,070,000.00	0.20%	86,884,039.65	0.20%
Indirect Management							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	300,962.48	45,070,000.00	0.67%	300,962.48	0.67% ⁴⁵
Direct Management							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	2,419,915.17	99,610,000.00	2.43%	2,419,915.17	2.43%
Total cost of controls							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	89,604,917.31	43,937,750,000.00	0.20%	89,604,917.31	0.20%

⁴³ The costs at Entrusted Entity level are also reported in the beginning of the AAR body sub-section 2.1.1.3 "Economy".

⁴⁴ After the OPs adoption process, the ex-ante controls are no longer deployed: in the current phase of the programming period the controls are only ex post.

⁴⁵ This is a decrease compared to 2019 (1.06 %), which is partly explained by a calculation error that has since been corrected. However, compared to 2018, the value from 2020 has doubled (0.34 %). Therefore, and since the situation has not changed drastically compared to 2019, the explanation from 2019 regarding the increase remains valid: overall, decreasing payments (divided by 4 compared to 2018) and a shift from managing the 2014-2020 programmes to preparing the next funding period can be observed. The costs incurred relate to staff costs involved in audit activities and part of the geographical staff involved in control and implementation activities for IPA.

ANNEX 70: Conclusions on the assurance: List of Reservations in the AAR 2020 and Targeted Actions

2014-2020 ERDF/CF/IPA-CBC – 38 programmes

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
1	CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	Full	RTER >2% and Col	€ 25.6	<p>Improve the management and control system.</p> <p>Carry out appropriate financial corrections.</p> <p>Confirm the implementation of corrective actions.</p>
2	DE	2014DE16RFOP011	OP Saarland ERDF 2014-2020	Partial Non-fin	MCS not functioning at the level of the IB - Referat F3 in the Ministry of the Economy (MWAEV)	€ -	
3	ES	2014ES16RFOP002	Multiregional OP for Spain ERDF 2014-20	Full	RTER >2% and MCS not functioning at the level of IB ADIF (PA 7)	€ 15.8	
4	ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	Full	TER > 10%. MCS not functioning due to weaknesses at the level of the MA.	€ 5.4	
5	ES	2014ES16RFOP006	Baleares ERDF 2014-20 OP	Full	RTER >2%.	€ 0.5	
6	ES	2014ES16RFOP011	Cataluña ERDF 2014-20 OP	Full	TER>10%, RTER>2%. MCS is not functioning due to weaknesses at the level of the AA (audit of operations not completed).	€ -	
7	ES	2014ES16RFOP012	Ceuta ERDF 2014-20 OP	Full	RTER > 2%	€ -	
8	ES	2014ES16RFOP015	Galicia ERDF 2014-20 OP	Full	RTER > 2%	€ 3.0	
9	ES	2014ES16RFOP017	Madrid ERDF 2014-20 OP	Full	RTER > 2%	€ 0.1	
10	ES	2014ES16RFSM001	SME Initiative	Reputational	ECA audits revealed the existence of deficiencies in key elements of the systems with material impact.	€ -	
11	FR	2014FR16M00P009	Regional Programme Guadeloupe Conseil Régional 2014-2020	Full	TER>10%. MCS not functioning due to weaknesses at the level of the MA.	€ 1.3	
12	FR	2014FR16M00P012	Regional Programme Mayotte 2014-20	Full	TER>10%. MCS not functioning due to weaknesses at the level of MA and AA.	€ -	
13	HU	2014HU16M20P002	Competitive Central-Hungary OP	Partial Non-fin	MCS not functioning at the level of PA2.	€ -	
14	IT	2014IT05M20P002	National Operational Programme on Governance and Institutional Capacity	Full	RTER > 2%	€ 0.5	
15	IT	2014IT16M20P002	ROP Puglia ERDF ESF	Full	RTER >2%. MCS not functioning at the level of MA and AA following the results of the DAS2019 audit with irregularities reported on uncompleted operations	€ 19.7	
16	IT	2014IT16M20P004	National Operational Programme on Metropolitan Cities	Full	RTRE>2% (maximum error amount) pending final results by AA of 3 out of its sample of 30 operations	€ 3.9	
17	IT	2014IT16M20P006	Calabria ERDF	Full	RTER>2%.	€ 2.8	
18	IT	2014IT16RFOP002	National Operational Programme on Infrastructures and Networks	Full	RTER>2%	€ 2.4	
19	IT	2014IT16RFOP007	ROP Campania ERD	Full	TER>10%, RTER>2%. MCS not functioning due to weaknesses at the level of MA and AA.	€ 56.5	
20	IT	2014IT16RFOP015	ROP Sardegna ERDF	Full	RTER>2%	€ 0.7	
21	IT	2014IT16RFOP016	ROP Sicilia ERDF	Full	RTER>2%	€ 7.5	
22	PL	2014PL16M20P002	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship	Full	RTER>2%	€ 3.5	
23	PL	2014PL16M20P008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Partial Non-fin	Qualified significant based on thematic audit of FI	€ -	
24	PL	2014PL16M20P012	ROP 12 Regional Operational Programme for Slaskie Voivodeship	Full	RTER>2%.	€ 13.3	
25	PL	2014PL16M20P014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Full	RTER>2%.	€ 5.9	
26	PL	2014PL16M20P015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	Full	RTER>2%. MCS not functioning due to weaknesses at the level of MA and AA.	€ 18.5	
27	PL	2014PL16RFOP001	Smart Growth	Partial Non-fin	MCS not functioning at the level on all grants awarded to one beneficiary and potential COI detected	€ -	
28	RO	2014RO16RFOP002	Regional Operational Programme	Full	RTER>2%. MCS not functioning due to weaknesses at the level of MA and AA.	€ 21.6	
29	SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	Full	RTER>2%.	€ 9.9	

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
30	SK	2014SK05M00P001	Operational Programme Human Resources	Full	RTER>2%. MCS not functioning due to weaknesses at the level of MA and AA.	€ 0.4	
31	SK	2014SK16M10P001	Integrated Infrastructure	Full	MCS not functioning due to weaknesses at the level of the MA. Public procurement issues affecting the whole MA (which has taken over two 2 IBs). Reputational issue due to the cartel case;	€ 14.0	
32	SK	2014SK16M10P002	Quality of Environment	Partial Non-fin	Cartel issue	€ -	
33	ENI-CBC	2014TC16M5CB006	Lithuania – Russia (ENI CBC)	Full	Accounts not accepted. The AA did not carry out any audits of operations. MCS not functioning. .	€ -	
34	ENI-CBC	2014TC16M5CB008	Latvia – Lithuania – Belarus (ENI CBC)	Full	Accounts not accepted. The AA did not carry out any audits of operations. MCS not functioning. .	€ -	
35	ETC	2014TC16RFCB044	Interreg V-A Belgium-France (France-Wallonie-Vlaanderen)	Partial	MCS not functioning due to the deficiencies identified at the level of the French authorities concerning the first level checks.	€ 0.7	
36	ETC	2014TC16RFCB051	Interreg V-A France (Mayotte-Comores-Madagascar)	Full	MCS not functioning due to weaknesses at the level of MA and AA.	€ -	
37	UK	2014UK16FR0P001	United Kingdom – ERDF England	Full	RTER>2%. MCS not functioning due to weaknesses at the level of MA and AA.	€ 28.9	
38	UK	2014UK16RF0P005	United Kingdom – ERDF West Wales and The Valleys	Partial Non-fin	MCS not functioning at the level of projects managed by Network Rail.	€ -	

**Total quantification:
EUR 262.1 million**

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

Res No.	MS	Ref	Title	Residual error rate reported at closure	Residual error rate validated by REGIO	Reservation	Reasons for Reservations / Comments	Quantification of Reservation in m EUR	Targeted Actions
1	HR	2007HR161P0002	Transport	Not reported	0.45%	Full Non-Fin	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario	0.00	- Carry out appropriate financial corrections. - Confirm the implementation of corrective actions.
2	HU	2007HU161P0001	Electronic Public Administration	0.98%	5.00%	Full Non-Fin	Risk estimated above 5%	0.00	
3	IT	2007IT161P0005	Reti e mobilita	0.00%	0.00%	Full Non-Fin	Significant deficiencies in the functioning of the management and control system	0.00	
4	IT	2007IT161P0006	Ricerca e competitivita	0.00%	10.00%	Full Non-Fin	Risk estimated above 5%; significant deficiencies in the functioning of the management and control system.	0.00	
5	IT	2007IT161P0011	ERDF OP Sicily	0.49%	0.76%	Reputational	Significant deficiencies in the functioning of the management and control system and continuous delays in the submission of complete closure documents. Reputational reservation due to no payments in 2020.	0.00	
6	RO	2007RO161P0001	Regional OP	0.00%	0.00%	Full Non-Fin	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario	0.00	
7	RO	2007RO161P0003	Transport	0.00%	0.00%	Full Non-Fin	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario	0.00	
8	RO	2007RO161P0004	Environment	0.00%	0.00%	Full Non-Fin	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario	0.00	
9	SK	2007SK161P0007	Technical Assistance	0.61%	20.51%	Partial Non-fin	Deficiency in public procurement related to ITMS projects in priority measure 1.5	0.00	
10	IPA-CBC	2007CB161P0001	Adriatic IPA CBC	0.31%	0.73%	Reputational	Reputational issues related to delays in payments to beneficiaries and missing audit trail of payments.	0.00	

**Total quantification:
EUR 0.0**

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

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

Overall (Specific) Assessment of Internal Control System		
To be done globally at Directorate-General level. In addition this assessment can be done for one part of the organisational structure (Delegation, Representation, Directorate, Function, etc.)		
Internal control Component	Present and functioning (Category 1/2/3/4)	Explanation/Conclusion
CONTROL ENVIRONMENT	Category 2. The component is present and functioning but some improvements are needed	Based on the end-of-the-year assessment, considering the strengths identified in a number of principles, we esteem that the principles are operating together in an integrated manner in order to ensure a sound and robust control environment: indeed no significant weaknesses have been identified which could have seriously affected the control environment in DG REGIO in 2020. Nonetheless, room for improvements has been identified in the areas of commitment to integrity and ethical values (P1). Therefore, further enhancement of the effectiveness and soundness of the DG arrangements in place in the control environment, by addressing in a targeted way the limited number of issues detected (training figures), is an ongoing effort that will continue and be intensified in 2021.
RISK ASSESSMENT	Category 2. The component is present and functioning but some improvements are needed	Based on the year-end assessment, no weaknesses were identified that could have seriously affected DG REGIO's compliance and performance in 2020 in relation to the requirements foreseen for the risk assessment of the component. With regard to the findings on Principle 6 (overall error rate >2%), close attention needs to be paid to capacity building and support to national authorities also in 2021 to further ensure and improve the functioning of sound financial and operational management at national level, in particular with regard to the future challenges.
CONTROL ACTIVITIES	Category 1. The component is present and functioning well, only minor improvements needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could have seriously affected the DG REGIO compliance and performance in 2020 with reference to the requirements foreseen for the component control activities.
INFORMATION AND COMMUNICATION	Category 2. The component is present and functioning but some improvements are needed	Based on the year-end assessment, no weaknesses affecting DG REGIO's compliance and performance in 2020 were identified in relation to the requirements foreseen for the risk assessment of the components. With regard to the findings on Principle 13, no significant systemic weaknesses were identified. However, the identified weaknesses in Document Management should be closely monitored to ensure that they do not negatively impact the functioning of the service. Measures have already been taken to continue monitoring in this area.
MONITORING ACTIVITIES	Category 1. The component is present and functioning well, only minor improvements needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could seriously affect the DG REGIO compliance and performance in 2020 with reference to the requirements foreseen for the component monitoring activities.
OVERALL ASSESSMENT (1/2/3 or 4). Are all components operating together in an integrated manner? Assess globally the combination of the assessments of the internal control components.	Category 2. The internal control system is present and functioning but some improvements are needed	
Is the overall IC system effective? Category 1. Minor- Yes Category 2. Moderate- Yes Category 3. Major- Partially Category 4. Critical- No	Yes	

ANNEX 9: Reporting – Human Resources, Digital Transformation and Information Management and Sound Environmental Management

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

Human resources management

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

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

Source of data: SEC(2020) 146

Baseline (female representation in management)	Target (2024) ⁴⁶	Latest known results (2020)
1.12.2019		
33%	First female appointments target: 3 out of 6 (50%) new appointments to middle management between 2020-2022	3 out of 6 new appointments = 50%

Indicator 2: REGIO staff engagement index

Source of data: Commission staff survey

Baseline	Target (2024)	Latest known results (2020/2021 Pulse survey)
2018		
72% (EC average of 69%)	Further increase the index results	72% (2020/21 Pulse Survey)

Digital transformation and information management

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

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

Source of data: Compass Corporate Steering board, SFC IT Steering Committee

Baseline	Interim milestone	Target	Latest known results (2020)
2018-2019	2020-2022	2024	
Compass Corporate: Formal validation by ITCB of Compass Corporate, as the corporate reusable workflow solution enabling the Shared management DGs to operate the	Make Compass Corporate ready for the start-up of the programming period 2021-2027	Compass Corporate stable and implement with all expected features and processes according to the Business Processes Team (BPT) roadmap	Under the umbrella of the Compass Corporate program, MyWorkplace is the name of the new workflow system, to be used by REGIO and MARE The project is on-track aligned with the updated business priorities set out by the BPT and in line with the revised timeline for the first programme submissions postponed to June 2021 given the delay in the adoption of the MFF and the regulations for the 2021-2027 period. In May-June 2020, features of the MyWorkplace platform have been successfully demonstrated to key users from REGIO, EMPL, MARE, HOME and AGRI. A trial and feedback testing session with volunteers from the

⁴⁶ The target will be revised and extended for the period 2023-2024 by January 2023.

<p>next programming period (2021-2027) processes - Business case document eventually approved in April 2018</p>			<p>implementing REGIO directorates as well as users from EMPL and MARE, took place in July-September, leading to the approval of the Board of Directors to proceed with MyWorkplace as the main choice for the 2021-2027 period whilst also preparing a backup plan in WAVE.</p> <p>During Q1 2021, the IT Unit and the Business Process Team (BPT) will organise a campaign of demonstrations and testing sessions involving business representatives from all REGIO directorates and MARE focused on MyWorkplace's features, with a view of deployment in production in June 2021 (pending on the future decision of REGIO's Board of Directors in May)</p> <p>In addition, in cooperation with DIGIT, a very high priority has been dedicated to the implementation of the necessary measures to ensure the stability of the new platform for its upcoming large-scale use.</p>
<p>SFC2021: ITCB green light for a solution encompassing a system supporting financial management (Back-office), covering all official exchanges of information between Managing Authorities and the Shared management DGs (Front-office) and providing Business reporting (Data warehouse), for the programming period 2021-2027 Business case document approved in October 2019</p>	<p>Make SFC2021 ready for the start-up of the programming period 2021-2027</p> <ul style="list-style-type: none"> - Make reports available for the start-up of the programming period 2021-2027 - Provide reports with real-time data - Improve user interface and set up new full-fledge dashboards for 2021-2027 programming period - Deliver impact study on the usage of Data analytics' new technologies (AI data prediction and Block chain) 	<p>Get SFC2021 stable and filled with required features and processes in alignment with the business processes roadmap</p> <p>Adapt Business reporting to the new programming period needs in alignment with the EC data strategy</p>	<p>2020 was a challenging year for both REGIO/EMPL SFC development teams as a result of the unexpected implementation measures REACT-EU, CRII and CRII+ packages in both SFC2014 Back-Office (BO) & Front-Office (FO) simultaneously with the development and set-up of SFC2021 BO/FO.</p> <p>Despite the high efforts and widespread impact on SFC development team's capacity that the implementation of the EC recovery plan had throughout 2020, the implementation of SFC2021 BO remains on track, expected to be ready in time to meet the revised timeline for the first programme submissions for the 2021-2027 programming period.</p> <p>Several important achievements for SFC2021 during 2020: approval of SFC2021 Project Charter by the ITCB last November and Submission to DIGIT's Security Directorate of the updated Security Plan, delivery of successful proof of concept to validate integration with MyWorkplace, Integration with ABAC and SFC2021 FO Implementation of administrative features - Budget lines management, responsible unit management and legal entity management, Implementation of CCI management as well as implementation of commitment management (implementation started and ongoing);</p> <p>Furthermore, in view of the preparation of the new programming period, the Business reporting system (Launchpad reports and underlying data warehouse) has been adapted to ensure continued provision of common and improved reporting services to the shared management DGs, BUDG and the ESIF Open Data Portal in alignment with the EC data strategy and EC data governance.</p> <p>In line with Data Strategy @ EC, important efforts have been invested towards Data analytics' new technologies in order to evolve current business reporting services. Thus, three experimental Proof of Concept (POCs) have</p>

			<p>been delivered:</p> <ul style="list-style-type: none"> • Artificial Intelligence Predictions • Real-Time Reporting • Dashboarding – Self-serviced analytics <p>Demonstrations to the business in order to explore and find ways to best support their needs will be carried out throughout 2021, with a final objective to ensure the industrialisation of these initiatives.</p>
<p>Average score on the implementation of the 11 core principles⁴⁷ defined by the EC Digital Strategy:</p> <ul style="list-style-type: none"> - Compass Corporate: 1.8 - SFC2021: 1.9 - Business reporting: 1.6 	<p>Average score of implementation:</p> <ul style="list-style-type: none"> - Compass Corporate: 1.8 - SFC2021: 1.9 - Business reporting: 1.8 	<p>Average score of implementation:</p> <ul style="list-style-type: none"> - Compass Corporate: 2 - SFC2021: 2 - Business reporting: 2 	<p>As a result of further developments in the context of MyWorkplace, SFC2021 and the Business Reporting platform, the average score of implementation of the EC Digital Strategy's core principles has evolved and is considered on track towards both the 2022 interim milestones as well as the final targets set for 2024:</p> <ul style="list-style-type: none"> - Compass Corporate: 1.8 - SFC2021: 1.9 - Business reporting: 1.7
<p>Open Data: All relevant data for the periods 2007-2013 and 2014-2020 is published in the ESIF Open Data platform</p>	<p>The Open Data platform is extended to cover the 2021-2027 period from the very beginning</p>	<p>The platform contains all relevant data related to shared management</p>	<p>Progress is on track</p>
<p>RegioWiki: A single platform is available</p>	<p>Extended to cover 2021-2027</p>	<p>Maintained or integrated with corporate initiatives</p>	<p>Work steadily in progress towards covering 2021-2027</p>
<p>Kohesio: Pilot project for linking and using project related data from 2014-2020 is initiated</p>	<p>Technical and organisational issues are successfully solved on the basis of the pilot with six member states</p>	<p>All project related data from 2014-2020 and 2021-2027 is available on the platform</p>	<p>Pilot project successfully delivered. DG REGIO will request the ITCB Board to authorise the scaling-up of the project to 27 MS and 2021-2027.</p>

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

Source of data: REGIO Communication unit

Baseline	Interim milestone	Target	Latest known results (2020)
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⁴⁷ From 2021, services are required to provide a state-of-play on the implementation of the 11 core principles defined by the EC Digital Strategy for the top 3 most expensive IT solutions that they own. For each of these solutions, this will be expressed as an average of the scores reflecting the degree of implementation of each of the 11 principles ("2-well"/"1-partially"/"0-not implemented"). The assessment will be performed by the IT Investments Team, in close collaboration with the supplier unit on the basis of a dedicated handbook and, if necessary, complementary interviews with the IT unit.

2019	2021-2022	2024	
<ul style="list-style-type: none"> - Set up of a network of local data correspondents - Delivery of specifications for corporate data roles and responsibilities, and a proposal for data policies - Stocktake of ongoing data governance and data policy initiatives 	<ul style="list-style-type: none"> - Progress on implementing data governance roles and responsibilities in all DGs and services - Draw up practical guidelines for priority areas for data policies - Explore the relationship between data protection and transparency obligations - Make any necessary changes and updates to the IT systems used for storing, managing and disseminating data assets 	Support the Commission's transformation into a data-driven organisation by introducing roles and responsibilities, common principles, guidelines and working practices at corporate level	Work steadily in progress to implement the data governance and policies principles established at corporate level. Close to 70% ⁴⁸
50% of REGIO key data assets	60% of REGIO key data assets	80% of REGIO key data assets	68%

Indicator 3: Percentage of staff targeted by awareness raising activities on data protection compliance

Source of data: REGIO Data Protection Coordinator (DPC)

Baseline	Interim milestone	Target	Latest known results (2020)
2019	2020-2022	2024	
100% of staff, according to the reply to the questionnaire of the DPO on the implementation of the Data Protection Action Plan of the Commission ⁴⁹ on November 2019	100% of staff, continue with regular awareness raising actions (newcomers, My Regio communications, reminders to all staff, updates of Regio Wiki)	100% of staff	20% of staff attended training or informative sessions on data protection in 2020

Sound financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

⁴⁸ Principle 1: 50%, Principle 2: 58%, Principle 3: 77% and Principle 4: 85%

⁴⁹ DG REGIO: reply to questionnaire on compliance with data protection action plan [Ares\(2019\)7248989](#)

Indicator: Estimated risk at closure

Source of data: Member States'/programmes' Annual Control Reports, EC audits, ECA audits and the conclusions presented in the AAR (table 7 B of REGIO AAR annexes).

Baseline (2019)	Target (2024)	Latest known results (2020)
1.1%	< 2% of relevant expenditure	1.2%

Indicator: Reliance on the management and control systems (systems which are functioning adequately⁵⁰)

Source of data: Member States'/programmes' Annual Control Reports, EC audits, ECA audits and the conclusions presented in the AAR (table 7 B of REGIO AAR annexes).

Baseline (2019)	Target (2024)	Latest known results (2020)
77%	90%	80%

Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy⁵¹ aimed at the prevention, detection and correction⁵² of fraud

Indicator: Implementation of the actions included in REGIO's anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)

Source of data: REGIO's annual activity report, REGIO's anti-fraud strategy, OLAF reporting

Baseline (2019)	Target (2024)	Latest known results (2020)
100% action points of the 2015 Joint Anti-Fraud Strategy implemented	100% of action points implemented in time	In December 2019, an updated Joint Anti-fraud Strategy (JAFS) was issued, which had 5 action points. All of those have been implemented over the course of 2020. 100%

Human resources management

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

Main outputs in 2020:

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Monitoring of the Workforce allocation to the priority area	Review of the staff allocation	Second half 2020	Achieved / On track

⁵⁰ Systems which work well (category 1) or which work but for which some improvements are needed (category 2)

⁵¹ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

⁵² Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

Training plan to be developed by the HR BC	Approval of training plan (based on training needs to be identified by end 2019)	January 2020	Achieved / On track
	Rolling out of training plan 2020	According to schedule	Likely to be achieved but with tolerable delays / shortfalls Due to COVID-19, several corporate and in-house training courses did not take place or have been postponed to 2021. Where possible, the classroom courses were transformed into online training.
	Increased number of e-learnings prepared for REGIO staff Targeted training for female AD colleagues	80% provided trainings / collected learning needs	Achieved / On track
Follow-up of Commission Staff Satisfaction Survey 2018	Implementation of the REGIO development plan	2020	Achieved / On track
HR local strategy of DG REGIO to be developed by the HR BC	Approval of local HR strategy for DG REGIO by the Board in 2020	2020	Likely to be achieved but with tolerable delays / shortfalls The new deadline defined by DG HR for the finalization of local HR strategies is at the end of January 2021 and not the end of 2020 as initially announced. The approval of the local HR strategy was therefore only concluded in January 2021.
Gender equality in middle management	First female appointments to middle management	Progress in the target for end 2022 (3 new appointments)	Achieved / On track

Digital transformation and information management

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

Main outputs in 2020:

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Data standardised and imported in Kohesio	Data standardised and ingested for 6 member states	Q1	Achieved / On track
User interface available for search and data discovery	Smart search engine, Geolocation available	Early Q2	Achieved / On track
Systems, processes and reporting tools are efficiently supporting the implementation	Deliver Compass Corporate features and processes relevant to REGIO contribution and implementation:	Q4 2020	Achieved / On track

of 2021-2027 programming period in alignment with BPT work plan	<ul style="list-style-type: none"> - Informal dialogue (Milestone#2) - Program adoption (Milestone#3) - Initial commitment (Milestone#4) 		
	<p>Deliver SFC 2021 features and processes relevant to REGIO contribution and implementation:</p> <ul style="list-style-type: none"> - Project Charter, Architecture document and Security plan - First financial transactions - MS documents submissions 	Q4 2020	Achieved / On track
	<p>Implement change management & support for REGIO users:</p> <ul style="list-style-type: none"> - Train REGIO users on Compass Corporate & SFC2021 - Provide support to REGIO users 	Q4 2020	Achieved / On track
Systems, processes and reporting tools are efficiently supporting the implementation of 2014-2020 programming period in alignment with BPT work plan and the Coronavirus Response Investment Initiatives (CRII and CRII Plus)	<p>Deliver revised processes and features supporting the 2014-2020 programming period in the REGIO IT systems:</p> <ul style="list-style-type: none"> - Maintain REGIO IT systems - Ensure & report on budget follow-up - Deliver training & Support users on all REGIO IS - Deliver IT service to DG REFORM (continuous) - Deliver updated IT Security plan (multi-annual exercise) - Deliver features in accordance with the Coronavirus Response Investment Initiatives (CRII and CRII Plus) regulations 	Q4 2020	Achieved / On track
Knowledge and information effectively shared and reused within REGIO	<p>Achieve the objectives of the yearly knowledge management plan:</p> <ul style="list-style-type: none"> - Maintain Knowledge management tool (continuous) - Create & Support collaborative sites & Knowledge management suite (continuous) 	Q4 2020	Achieved / On track
IT Governance & Strategic Planning, monitoring and reporting duly followed and implemented	<p>Participate to the Corporate IT governance by supporting Director A as member of the on behalf of the "Shared Management" family (former European Structural Investment Funds (ESIF) DGs), participating to the extended IT Investment team on behalf of the Shared Management DGs and updating and implementing the IT modernisation plan:</p> <ul style="list-style-type: none"> -Deliver the IT Modernisation plan - Ensure proper alignment with Shared management DGs in matters related to the EC' Digital Strategy implementation as well as for the topics discussed in the ITCB meetings (continuous) - Provide support to Director A as the ESIF DGs and REFORM representatives to the ITCB meetings 	Q4 2020	Achieved / On track

	(continuous)		
	- Contribute and participate to the IT Investment's team meetings, on behalf of Shared management DGs (continuous)		

Sound financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2020:

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Effective controls: Legal and regular transactions	Risk at payment ⁵³	becomes <2% of relevant expenditure	Likely to be achieved but with tolerable delays / shortfalls The DG has the capacity to identify the individual programmes with a remaining material level of risk, and to take mitigating actions.
	Estimated risk at closure ⁵⁴	remains <2% of relevant expenditure	Achieved / On track
Efficient controls	Budget execution	100 % of payment appropriations (not including assigned revenue)	Achieved / On track
Economical controls	Overall estimated cost of controls	Remains below 0.5% of funds managed	Likely to be achieved but with tolerable delays / shortfalls Preparations for the calculation are ongoing as planned and are based on the FTE count. The calculations of the cost of controls themselves are as usual only planned to be carried out in the framework of the drafting of the AAR 2020 in early February.
Reliance on the management and control systems	% of all programmes assessed as functioning well or functioning with only some improvements needed ⁵⁵	80%	Achieved / On track

Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF)⁵⁶ aimed at the prevention, detection and correction⁵⁷ of fraud

⁵³ Or "Residual total error rate".

⁵⁴ Risk at closure is calculated once a year in the AAR: residual total error rate minus the necessary financial correction to bring every residual total error rate down to 2%. This indicator will be updated once a year using the reported estimated risk at closure in the AAR.

⁵⁵ Category 1 or 2.

⁵⁶ Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

Main outputs in 2020:

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Dissemination of information and training offer to MS on fraud prevention and detection	Number of presentations and trainings given to MS	2	Achieved / On track
Increase the systematic use of ARACHNE or alternative datamining tools available at national level and encourage MS to use exclusion databases such as EDES when selecting beneficiaries of their programmes.	No of active users	1,850	Achieved / On track
	No of connections	14,000	Achieved / On track
	% of all programmes use Arachne	55%	Achieved / On track
Organise regular meetings with OLAF counterparts from selection, policy and investigative units	Number of meetings per year	At least 5 meetings	Achieved / On track
Financial corrections implemented as a follow-up of financial recommendations in OLAF final reports	% of financial corrections implemented ⁵⁸	75%	Achieved / On track

Sound environmental management

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

Main results and outputs in 2020:

Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Reducing missions (Promoting videoconferencing)	Number of missions	-10%	Achieved / On track
Digitalisation of events	Number of events	-20% presential +25% digital attendance	Achieved / On track
Awareness raising campaign to promote the EC guidelines for sustainable meetings and events	Lunchtime session	Q3 2020	Likely to be achieved but with tolerable delays / shortfalls Given the very particular year we had in 2020, and staff could not come to the office, this indicator could not be achieved as such.
Reducing office paper consumption	Number of printed documents, paper publications ordered	-20%	Achieved / On track
Reducing and managing waste	Better sorting and less waste	-20%	Achieved / On track

⁵⁷ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁵⁸ Further to each OLAF case report which includes a financial recommendation, REGIO launches a financial follow-up procedure. This indicator aims at capturing the proportion of the amount corrected compared to the amount recommended in a year (typically for cases closed in the previous year).