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**COMMISSION STAFF WORKING DOCUMENT**

**Statistical evaluation of irregularities reported for 2021: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure**

*Accompanying the document*

**COMMISSION REPORT TO THE COUNCIL AND THE EUROPEAN  
PARLIAMENT**

**33rd Annual Report on the protection of the European Union's financial interests and  
the fight against fraud - 2021**

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## LIST OF ABBREVIATIONS

<b>AMIF</b>	Asylum, Migration and Integration Fund
<b>CAP</b>	Common Agricultural Policy
<b>CARDS</b>	Community Assistance for Reconstruction, Development and Stabilisation
<b>CBC</b>	Cross-Border Cooperation
<b>CF</b>	Cohesion Fund
<b>DA</b>	Direct payments to farmers
<b>EAFRD</b>	European Agricultural Fund for Rural Development
<b>EAGF</b>	European Agricultural Guarantee Fund
<b>EAGGF</b>	European Agricultural Guidance and Guarantee Fund
<b>EFF</b>	European Fisheries Fund
<b>EGF</b>	European Globalisation Adjustment Fund
<b>EMFF</b>	European Maritime and Fisheries Fund
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF</b>	European Structural and Investment Funds
<b>FAL</b>	Fraud Amount Level
<b>FDR</b>	Fraud Detection Rate
<b>FEAD</b>	Fund for European Aid to the Most Deprived
<b>FFL</b>	Fraud Frequency Level
<b>GUID</b>	European Agricultural Guarantee and Guidance Fund – Section Guidance
<b>HRD</b>	Pre-accession, Human Resources Development component
<b>IDR</b>	Irregularities Detection Rate
<b>IMS</b>	Irregularity Management System
<b>IPA</b>	Instrument for Pre-accession Assistance
<b>IPARD</b>	Instrument for Pre-Accession Assistance for Rural Development
<b>ISF</b>	Internal Security Fund
<b>ISPA</b>	Instrument for Structural Policies for Pre-Accession
<b>MM</b>	Market Support Measures
<b>PAA</b>	Pre-Accession Assistance 2000-2006
<b>PHARE</b>	Pre-accession assistance programme
<b>PP</b>	Programming period
<b>RD</b>	Rural Development
<b>REGD</b>	Pre-accession, Regional Development component
<b>SA</b>	Direct Support to Agriculture
<b>SAPARD</b>	Special Accession Programme for Agricultural and Rural Development
<b>TAIB</b>	Transition Assistance and Institution Building
<b>TIPAA</b>	Turkey Instrument for Pre-accession Assistance
<b>TOR</b>	Traditional Own Resources
<b>YEI</b>	Youth Employment Initiative

## 1. INTRODUCTION

### 1.1. Scope of the document

This document<sup>1</sup> presents a statistical evaluation of the irregularities and fraud detected by the Member States during 2021, in the context of past years and relevant programming periods (PP). It covers both the revenue and expenditure sides of the EU budget. This analysis is based on the notifications provided by national authorities of cases of irregularities and suspected or established fraud. Their reporting is performed in fulfilment of a legal obligation enshrined in sectoral European legislation. The document accompanies the Annual Report adopted on the basis of article 325(5) of the Treaty on the Functioning of the European Union (TFEU), according to which “*The Commission, in cooperation with Member States, shall each year submit to the European Parliament and to the Council a report on the measures taken for the implementation of this article*”. Therefore, this document should be regarded as an analysis of the achievements of the Member States, in terms of detection and reporting.

The methodology (including the definition of terms and indicators), the data sources and the data capture systems are explained in detail in the *Commission Staff Working Document – Methodology for the Statistical Evaluation of Irregularities* accompanying the Annual Report on the Protection of the EU financial interests for the year 2015<sup>2</sup>.

### 1.1. Structure of the document

The present document includes an analysis of the irregularities reported in the area of traditional own resources (revenue), as well as an analysis of the irregularities reported for expenditure (Common Agricultural Policy, cohesion policy, fisheries and other internal policies; the pre-accession policy and direct management).

The document is completed by 27 country factsheets, which summarise, for each Member State, the main indicators and information on the detection of irregularities and fraud.

Several annexes complement the information and data, providing a global overview of the irregularities reported according to the relevant sector regulations. Annexes 1 to 11 concern Traditional Own Resources, Annexes 12 to 14 complement information on the methodology for the analysis of irregularities concerning expenditure, Annex 15 covers all the expenditure sectors for which Member States and beneficiary countries have a reporting obligation.

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<sup>1</sup> This document does not represent an official position of the Commission.

<sup>2</sup> SWD(2016)237final

[http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

## 2. TRADITIONAL OWN RESOURCES

### EXECUTIVE SUMMARY

In 2021, the COVID-19 pandemic continued to affect the lives of all individuals and businesses in the EU. Looking back, in 2020 the pandemic was experienced as an emergency, while in 2021 it became part and parcel of life. Import figures for 2021 are proof of this. After the sharp 11.6% decrease in EU-27 imports in 2020, they increased by 23% in 2021.

In 2021, the number of fraudulent and non-fraudulent irregularities related to TOR remained quite stable, the related amount of TOR increased and was the highest amount detected during the last 5 years. For both fraudulent and non-fraudulent irregularities, the amount of TOR detected increased compared to the five-year average, by 32% and 13% respectively. In total, the TOR amount increased by 18% in 2021 compared to the average for 2017-2021.

In comparison, the number of fraudulent and non-fraudulent irregularities related to TOR decreased by 3% compared to the five-year average. The number of fraudulent irregularities increased by 1 % and non-fraudulent irregularities decreased by 4%.

Of all fraudulent and non-fraudulent irregularities detected in 2021, 12% were classified as fraudulent.

National anti-fraud services, together with customs release controls, played a key role in detecting fraudulent irregularities in 2021. Inspections by anti-fraud services, the most successful method way of detecting fraudulent irregularities, surpassed post-release controls and release controls in detecting fraudulent duty evasion.

Non-fraudulent irregularities were primarily detected by means of post-release controls.

Most cases reported in 2021 as fraudulent and non-fraudulent related to undervaluation, incorrect origin or classification/misdescription of goods. Smuggling remains one of the main fraudulent irregularities. Textiles, electrical machinery and equipment were the types of goods most affected by fraud and irregularities in number of cases and in monetary terms, followed by miscellaneous chemical products, footwear and tobacco most affected in terms of amounts and by vehicles and plastics in terms of number of cases. In 2021 China remained the most important country of origin of goods affected by irregularities reported as fraudulent or non-fraudulent.

For COVID-19-related goods, in 2021, a notable increase in the amounts reported as irregular was observed for goods such as disinfectants and sterilisation products, protective garments and medical consumables. However, analysis shows that the impact of irregularities affecting COVID-19-related goods remained relatively low in 2021 (4% of the total number of irregularities reported in 2021 and 6% of the related amounts).

In 2021, the Commission continued, on-the-spot or remotely, its monitoring and control visits to ensure the correct application of EU customs and TOR legislation. Where cooperation and progress made in tackling outstanding issues are considered insufficient, corrective measures are being applied.

As the 2020 PIF report states, such corrective measures have already been applied by the Commission against the UK for undervalued textiles and footwear from China (Snapshot 1). On 8 March 2022, the CJEU issued its ruling in related Case C-213/19 against the UK. The Commission is in the process of analysing the implications of that CJEU ruling both for the UK (e.g. re-calculation of TOR losses) and for the Member States.

The Commission also quantified potential TOR losses with regard to the evasion of anti-dumping duties for solar panels and informed the EU Member States concerned.



## 2.1. Introduction

The technical explanations and the statistical approach are explained in the accompanying document ‘Methodology regarding the statistical evaluation of reported irregularities for 2015’<sup>3</sup>. In summary, the statistics for the 2021 PIF report were prepared based on the total established and estimated amount of TOR as reported in OWNRES. Recovery figures are based only on established amounts.

For comparability with previous years, the analysis for this report was carried out based on the figures obtained for the EU of 27 Member States<sup>4</sup>. The UK figures can nevertheless be found in the annexes.

The following analysis, based on the data available on the cut-off date (15 March 2022), aims to provide an overview of the reported cases of fraud and irregularities reported for 2021 together with their financial impact.

## 2.2. General analysis –Trend analysis

### 2.2.1. Reporting years 2017-2021

The number of cases reported in OWNRES for 2021 (3 988) is about 3 % lower than the average number of cases of irregularities reported for the 2017-2021 period (4 131).

The total estimated and established amount of TOR involved (EUR 524 million) is about 18 % higher than the average estimated and established amount for the years 2017-2021 (EUR 443 million).

In 2021, eight big<sup>5</sup> cases for a total amount of about EUR 122 million<sup>6</sup> were reported compared to 2020, when five big cases for a total amount of about EUR 67 million affected the total estimated and established amount.

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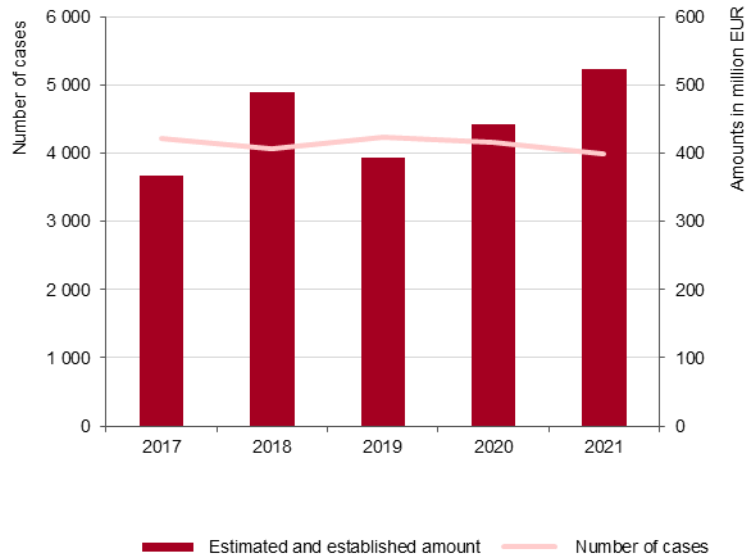
<sup>3</sup> In September 2019, the reporting rules were clarified and updated.

<sup>4</sup> The UK left the EU on 31 January 2020 and is no longer a Member State. Also since 1 January 2021, the UK (except Northern Ireland) is no longer part of the internal market and customs union as agreed in the UK–EU Withdrawal Agreement.

<sup>5</sup> Cases involving an amount of TOR exceeding EUR 10 million.

<sup>6</sup> The Netherlands (4 cases – EUR 76 million), Belgium (2 cases – EUR 25 million), Germany (1 case – EUR 11 million) and Spain (1 case – EUR 10 million).

CHART TOR1: Total number of OWNRES cases and the related estimated and established amount (2017-2021)



Annex 1 of the summary tables shows the situation on the cut-off date (15 March 2022) for the years 2017-2021.

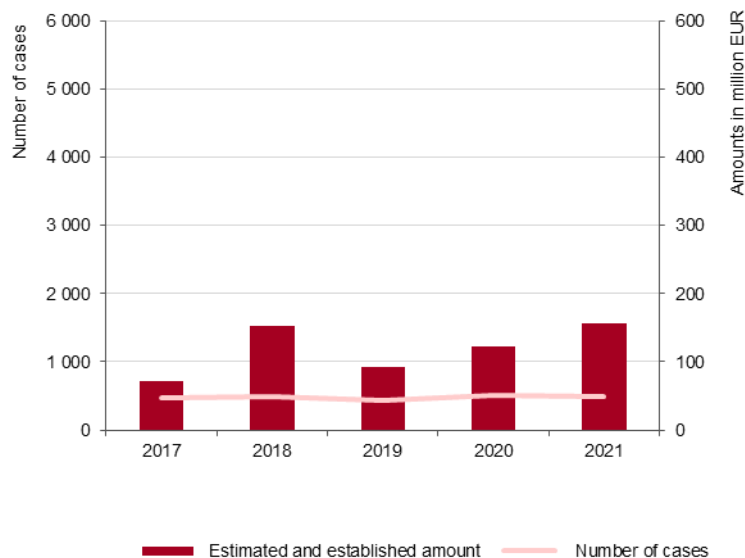
2.2.1.1. Irregularities reported as fraudulent

The number of cases reported as fraudulent registered in OWNRES for 2021 (482) is currently 1% higher than the average number of cases reported for the 2017-2021 period (478).

The total estimated and established amount of TOR involved (EUR 157 million) represents an increase of 32% of the average estimated and established amount for the years 2017-2021- (EUR 119 million).

For 2021, Luxemburg, Finland and Sweden did not communicate any fraudulent case exceeding an amount of EUR 10000.

CHART TOR2: OWNRES cases reported as fraudulent and the related estimated and established amount (2017-2021)



On the cut-off date (15 March 2022), 12% of all cases detected in 2021 were classified as fraudulent. The percentage had remained stable since 2020 (12%).

Annex 2 of the summary tables shows the situation on the cut-off date for the years 2017-2021.

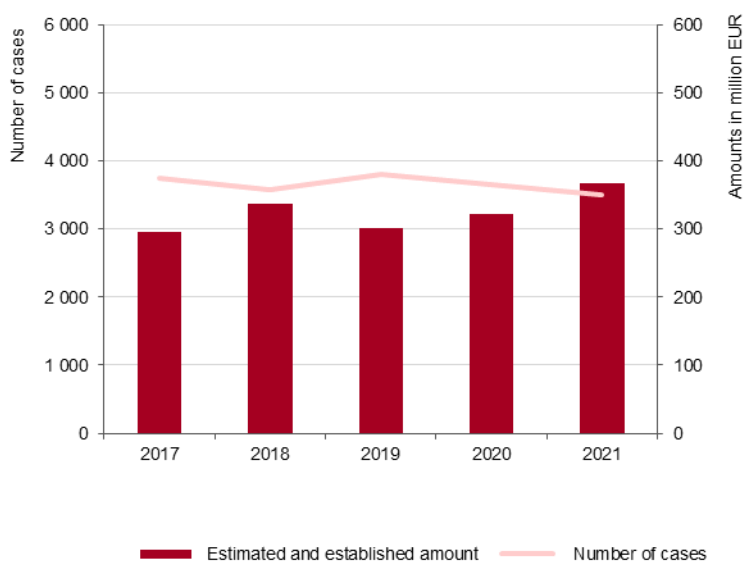
### 2.2.1.2. Irregularities not reported as fraudulent

At the same time, the number of cases not reported as fraudulent communicated via OWNRES for 2021 (3 506) was 4% lower than the average number reported for 2017-2021 (3 653).

The total estimated and established amount of TOR (EUR 367 million) was 13% higher than the average estimated and established amount for the years 2017-2021 (EUR 324 million).

Cyprus did not report any case of irregularity exceeding an amount of EUR 10 000 for 2021.

CHART TOR3: OWNRES cases not reported as fraudulent and the related estimated and established amount (2017-2021)



Annex 3 of the summary tables shows the situation on the cut-off date for years 2017-2021.

### 2.2.2. OWNRES data vs TOR collection

In 2021, the total established amount of TOR (gross) was EUR 25.2 billion and about 98% was duly recovered and made available to the Commission through the A-account<sup>7</sup>. According to the OWNRES data, around EUR 524 million has been *established or estimated* by the Member States in connection with cases reported as fraudulent/non-fraudulent where the amount at stake exceeds EUR 10 000.

The total estimated and established amount reported in OWNRES represents 2.11% of total collected TOR (gross) amount in 2021<sup>8</sup>. This *detection rate* has increased compared to 2020, when it was 1.95%<sup>9</sup>. A percentage of 2.11 % indicates that of every EUR 100 of TOR (gross) established and collected, an amount of EUR 2.11 is registered as irregular (fraudulent or non-fraudulent) in OWNRES. There are differences among the Member States. In eight Member States<sup>10</sup>, the percentage is above the average of 2.11 %. The highest percentages for 2021 can be

<sup>7</sup> These are provisional figures available as of 15 March 2022. They might be changed in the final financial accounts.

<sup>8</sup> See Annex 4.

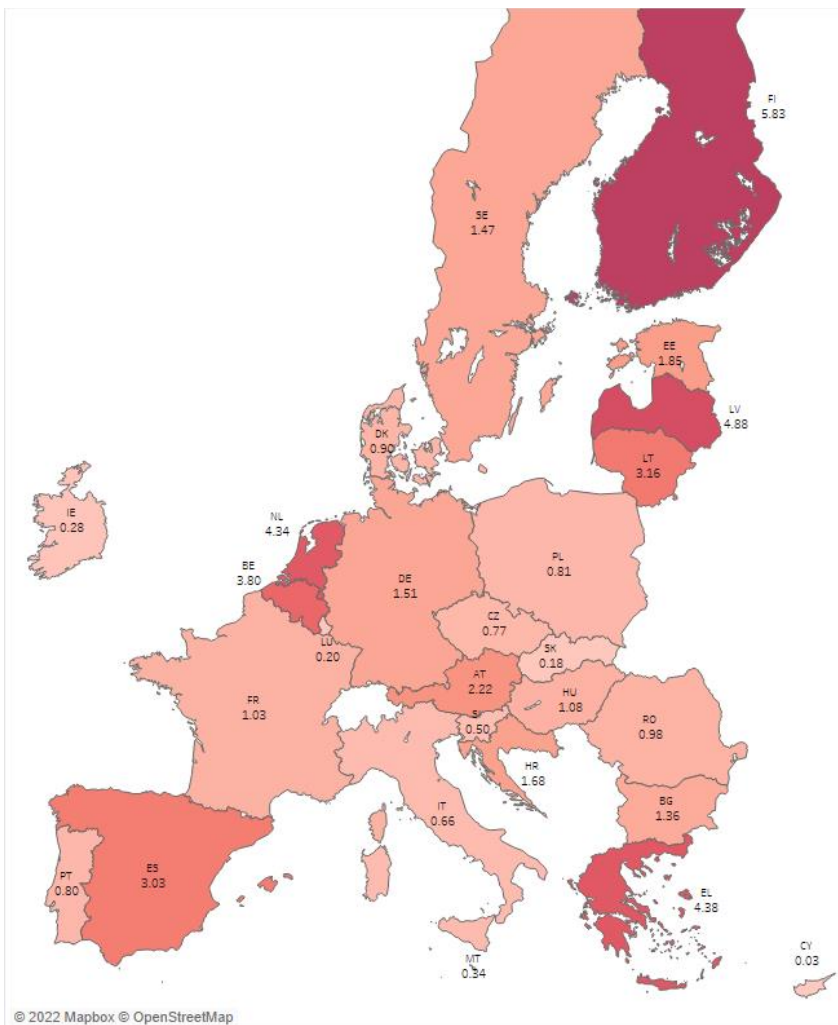
<sup>9</sup> On the cut-off date for the 2020 PIF report.

<sup>10</sup> Belgium, Greece, Spain, Latvia, Lithuania, the Netherlands, Austria and Finland.

seen in Finland, Latvia, Greece, the Netherlands and Belgium, with 5.88%, 4.88%, 4.38%, 4.34% and 3.8% respectively.

For the seven Member States<sup>11</sup> that established and made available most TOR amounts, the average percentage of the estimated and established OWNRES amounts of TOR for 2021 was equal to 2.28%. Compared to the previous year (1.91%), this represents an increase of 0.37%. For the Netherlands, the proportion of estimated and established OWNRES amounts of TOR increased in 2021 from 0.79% to 4.34% compared to 2020, while for Belgium, Spain and Italy, it increased by 1.46%, 0.72% and 0.28% respectively. For the other three Member States<sup>12</sup>, the average proportion of estimated and established OWNRES amounts of TOR decreased in 2021 (1.27%) compared to the previous year (2.64%).

TOR MAP1: Showing the percentage of estimated and established amount in OWNRES of established TOR for 2021



### 2.2.2.1. Detection rates in the COVID year 2021

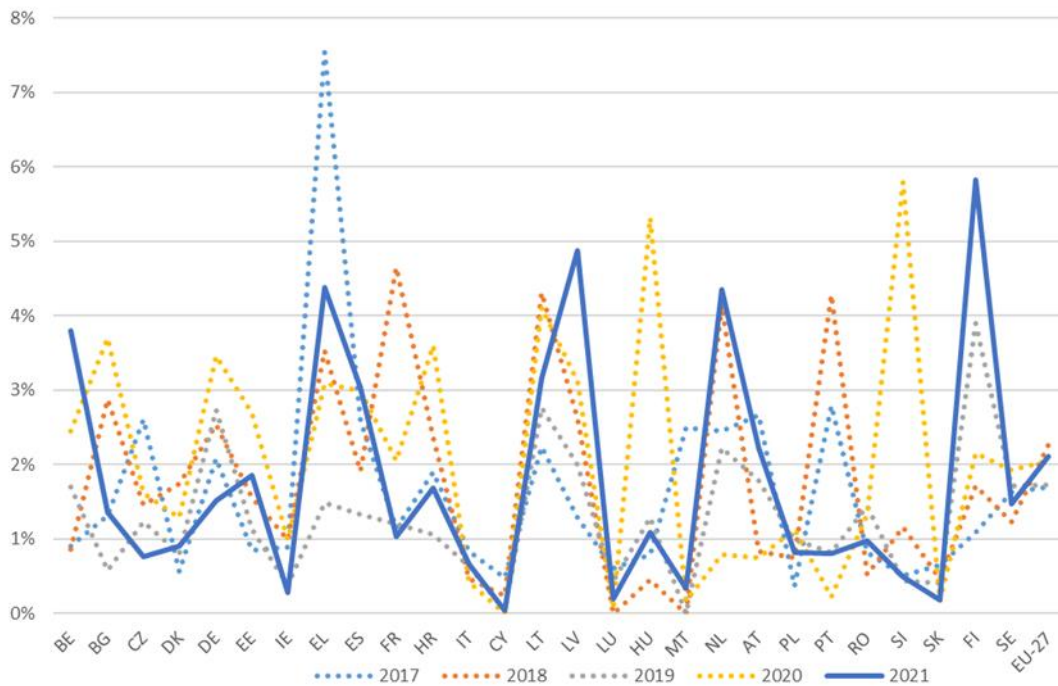
Whereas the variation in the total number of cases reported as fraudulent or non-fraudulent in 2021 was within the usual range of the annual fluctuation, the related amounts increased considerably in 2021, leading to a higher overall detection rate in 2021 than in 2020.

<sup>11</sup> Belgium, Germany, Spain, France, Italy, the Netherlands and Poland.

<sup>12</sup> Germany, France and Poland.

Chart TOR4 shows the variation in the annual detection rate<sup>13</sup> for each Member State in 2017-2021. Bearing in mind that a number of variable factors can affect national detection rates and that customs controls had to be performed under pandemic conditions in many cases in 2021, the overall detection rate was still the second highest in 2021 during the last 5 years. The 2021 detection rates<sup>14</sup> for Belgium, Greece, Spain, Latvia, Lithuania, the Netherlands, Austria and Finland were above the EU average. This makes it hard to say how much the detection rates are affected by the pandemic, changes in import volumes, fraud patterns or national customs control strategies.

Chart TOR4: Detection rates 2017-2021 per Member State



### 2.2.3. Recovery

The cases of fraud and irregularities detected in 2021 correspond to an established amount of EUR 479 million<sup>15</sup>. Nearly EUR 216 million of this was recovered in cases where there was an irregularity and EUR 24 million in fraudulent cases<sup>16</sup>. In total EUR 240 million was recovered by all Member States for all cases detected in 2021. In absolute figures, Germany recovered the highest amount in 2021 (EUR 74 million), followed by Spain (EUR 47 million) and the Netherlands (EUR 43 million). This is a starting point for recovery. Analysis shows that lengthy recovery procedures spread over several years are usually required due to administrative and judicial procedures in complex cases or cases with a huge financial impact.

Member States also continued their recovery actions for the detected cases of previous years.

<sup>13</sup> Ratio of the total established and estimated amount in OWNRES to the total gross TOR collected. Data available on cut-off date of 15.3.2022.

<sup>14</sup> Individual bigger cases detected in a specific year may affect annual rates significantly. The detection rates can also be affected by the way a Member State’s customs control strategy is set up to target risky imports and detect TOR-related fraud and irregularities.

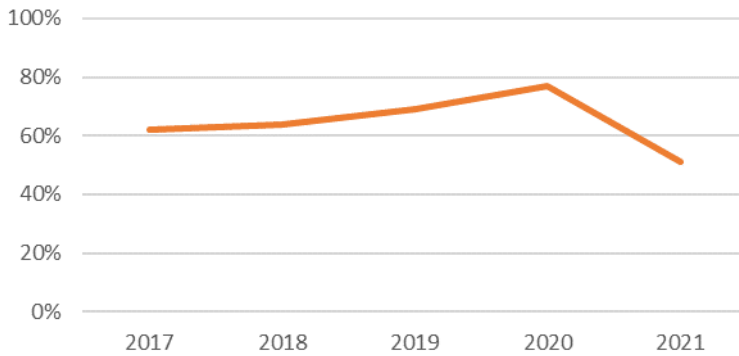
<sup>15</sup> See Annex 5. The estimated amounts are excluded.

<sup>16</sup> See Annex 10.

### 2.2.3.1. Recovery rates

Over the past 5 years the annual recovery rate has varied between 50% and 77% (CHART TOR5). The recovery rate for cases reported in 2021 is currently 50%<sup>17</sup>. In other words, out of every amount over EUR 10 000 of duties established and reported for 2021 in OWNRES as irregular/fraudulent, approximately EUR 5 000 has already been recovered.

CHART TOR5: Annual recovery rates (2017-2021)



The overall recovery rate is a correlation between the detection, the established amount and the current recovery stage of individual cases (high additional duty claims are more frequently associated with lengthy administrative and criminal procedures).

Recovery rates vary among the Member States. In seven Member States, the entire established amount has already been recovered<sup>18</sup> and in another four Member States the recovery rates are above 90%. In Czechia the recovery rate is 99%, in Denmark 99%, in Germany 96% and in Sweden 95%. Differences in recovery rates may be due to factors such as the type of fraud or irregularity, or the type of debtor involved. Because recovery is ongoing, it can be expected that the recovery rate for 2021 will also go up in the future.

On the cut-off date (15 March 2022), the overall recovery rate for all years 1989-2021 was 64%.

## 2.3. Specific analysis

### 2.3.1. Cases reported as fraudulent

#### 2.3.1.1. Modus operandi

A breakdown by type of fraud shows that most fraudulent cases in 2021 relate to incorrect declarations (incorrect classification, value, country of origin or use of preferential arrangements) and formal shortcomings (e.g. failure to observe customs procedures). Smuggling as a fraud mechanism ranked second place in 2021.

In 2021, the customs procedure ‘release for free circulation’ remained the procedure most vulnerable to fraud (71% of the number of cases and 81% of the estimated and established amount)<sup>19</sup>. A total of 10% of all cases reported as fraudulent and 12% of all estimated and established amounts in OWNRES cases registered as fraudulent for 2021 fall into the category ‘Other’<sup>20</sup>, whereas 14% of all cases reported as fraudulent and 4% of all estimated and established amounts involve the customs warehouse procedure.

<sup>17</sup> See Annex 5.

<sup>18</sup> Estonia, Croatia, Cyprus, Luxembourg, Malta, Slovakia and Finland.

<sup>19</sup> See Annexes 6 and 7.

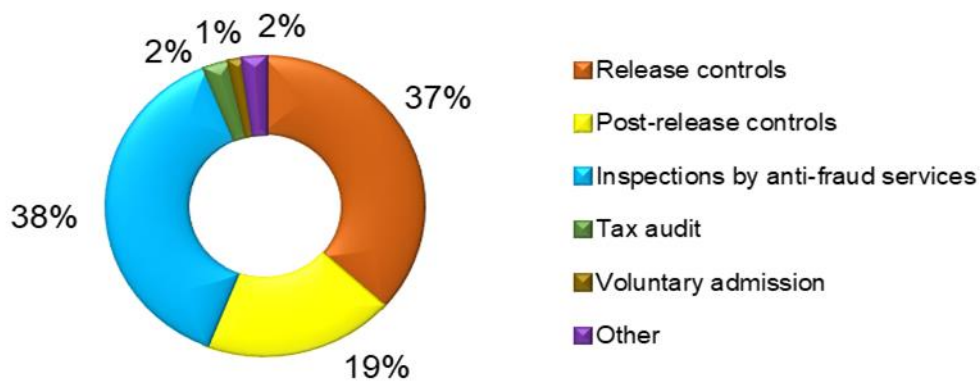
<sup>20</sup> The category ‘Other’ combines, among others, the following procedures or treatments: processing under customs control, temporary admission, outward processing and the standard exchange system, exportation, free zone or free warehousing, re-exportation, destruction and abandonment to the Exchequer.

Of all cases reported as fraudulent, about 76% concern goods such as tobacco, vehicles, textiles, footwear, meat and meat products, articles of leather, iron, steel and aluminium. In monetary terms, these groups of goods represent about 93% of all amounts estimated and established for cases reported as fraudulent. China, Brazil, the United Arab Emirates, Belarus, Turkey, the United States and Russia are the main – in monetary terms – reported countries of origin of goods affected by fraud.

2.3.1.2. Method of detection of fraudulent cases

In 2021<sup>21</sup>, inspections by anti-fraud services (38%) and customs controls carried out at the time of the release of goods (37%) were the most successful way of detecting fraudulent cases, followed by post-release controls (19%).

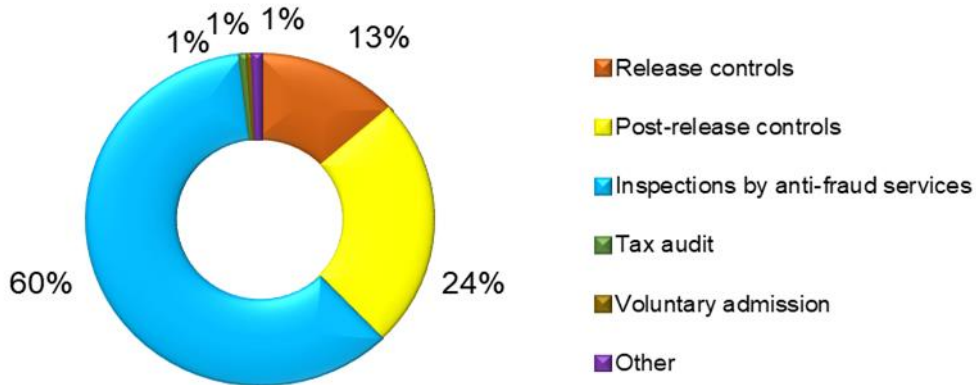
CHART TOR6: Method of detection 2021 – Cases reported as fraudulent – by number of cases



In monetary terms, of the fraudulent cases registered for 2021, involving EUR 157 million in estimated or established amounts, around 60% were detected during an inspection by anti-fraud services, 24% during a post-release control and 13% during a control at the time of the release of the goods.

<sup>21</sup> See Annexes 8 and 9.

CHART TOR6: Method of detection 2021 – Cases reported as fraudulent – by estimated and established amount



In six Member States, more than 50% of all estimated and established amounts in fraudulent cases were detected by anti-fraud services<sup>22</sup>. As regards amounts, controls at the time of the release of goods were the method most used to detect fraud in Czechia, Denmark, Estonia, Greece, Croatia, Latvia, Austria, Poland, Slovenia and Slovakia, whereas post-release controls were the method most used in Bulgaria, Spain, Cyprus, Hungary, the Netherlands and Portugal.

In Denmark, 48% of all estimated and established amounts in fraudulent cases were declared voluntarily.

### 2.3.1.3. Smuggled cigarettes

In 2021, there were 115 cases of smuggled cigarettes registered (CN code<sup>23</sup> 24 02 20 90) involving estimated TOR of around EUR 30 million. In 2020, the number of cases of smuggled cigarettes was 124, totalling around EUR 21 million of TOR.

The highest number of cases was reported by Lithuania (46), Poland (18) Belgium (11), and France (10). The highest amount was reported by Greece (EUR 9 million) and Italy (EUR 8 million), followed by Belgium (EUR 5 million). No cases were reported by 14 Member States<sup>24</sup>.

<sup>22</sup> Belgium, Germany, Ireland, Italy, Lithuania and Romania.

<sup>23</sup> Combined nomenclature or CN – nomenclature of the Common Customs Tariff.

<sup>24</sup> Czechia, Ireland, Spain, Croatia, Cyprus, Luxembourg, Hungary, Malta, the Netherlands, Austria, Portugal, Slovenia, Finland and Sweden.



Table TOR1: Cases of smuggled cigarettes in 2021

TOR: Cases of smuggled cigarettes* in 2021		
MS	Cases	Established and estimated amount
	N	EUR
BE	11	5 369 865
BG	3	11 595
DK	1	114 020
DE	1	155 520
EE	8	1 033 810
EL	4	8 955 416
FR	10	138 833
IT	1	8 208 900
LV	8	840 450
LT	46	3 837 216
PL	18	1 050 606
RO	1	21 767
SK	3	37 131
EU-27	115	29 775 129

#### 2.3.1.4. Textiles

In 2021, textiles were the goods most vulnerable to fraudulent irregularities in monetary terms. In total 65 cases were reported, amounting to EUR 42 million. Undervaluation was the main type of irregularity. France, Bulgaria and Belgium were particularly affected by fraud, with five other Member States only marginally affected. Anti-fraud services detected most of the cases.

#### 2.3.1.5. Cases reported as fraudulent by amount

In 2021, the estimated and established amount was below EUR 100 000 in 345 cases reported as fraudulent (72% of all fraud cases), whereas it was above EUR 100 000 in 137 cases (28%).

The total estimated and established amount in cases reported as fraudulent, where the amount at stake was above EUR 100 000, was EUR 147 million (94% of the total estimated and established amount for cases reported as fraudulent).

Table TOR2: Cases reported as fraudulent by amount category in 2021

Amount, EUR	N	Estimated and established amount, EUR
< 100 000	345	9.735.971
>= 100 000	137	147.347.670
Total	482	157.083.640

#### 2.3.2. Cases reported as non-fraudulent

##### 2.3.2.1. Working method

A breakdown of fraud by type shows that most cases of fraud relate to classification/misdescription. Incorrect value, incorrect use of preferential arrangements, and irregularities related to the transit procedure are also frequently mentioned.

Not all customs procedures are equally vulnerable to irregularities; their vulnerability may change over time as certain economic sectors are briefly targeted. The customs procedure ‘release for free circulation’ is the customs procedure most affected by irregularities. This is because at the time of release for free circulation, non-compliance in the customs declaration may relate to a large number of irregularities, e.g. the tariff, the CN code, (preferential) origin, incorrect value, etc. On the other hand, in customs suspension procedures (such as warehousing, transit, inward processing, etc. – where the payment of duties is suspended) the sole irregularity that might occur is the subtraction of the goods in question from customs supervision. It is therefore normal, and to be expected, that most fraud and irregularities are reported in connection with the procedure ‘release for free circulation’.

In 2021 most of the estimated and established amounts in OWNRES for cases reported as non-fraudulent related to the customs procedure ‘release for free circulation’ (84%)<sup>25</sup>. A total of 6% of all estimated and established amounts in OWNRES registered as non-fraudulent for 2021 fall into the category ‘Other’<sup>26</sup>.

Of all cases reported as non-fraudulent, about 60% concern textiles, electrical machinery and equipment, vehicles, plastics, textiles, mechanical machinery and appliances, articles of iron and steel, footwear, organic chemicals and chemical products. In monetary terms these groups of goods represent about 73% of all amounts estimated or established for cases reported as non-fraudulent. China, the United States, Japan, India, Russia, Turkey and Taiwan are – in monetary terms – the main reported countries of origin of goods affected by irregularities.

#### 2.3.2.2. *Method of detection of non-fraudulent cases*

In 2021, most non-fraudulent cases (55%) were detected during post-release customs controls. Other frequently used methods of detection of non-fraudulent cases were release controls (20%), voluntary admission (13%), inspections by anti-fraud services (5%) and tax audits (5%).<sup>27</sup>

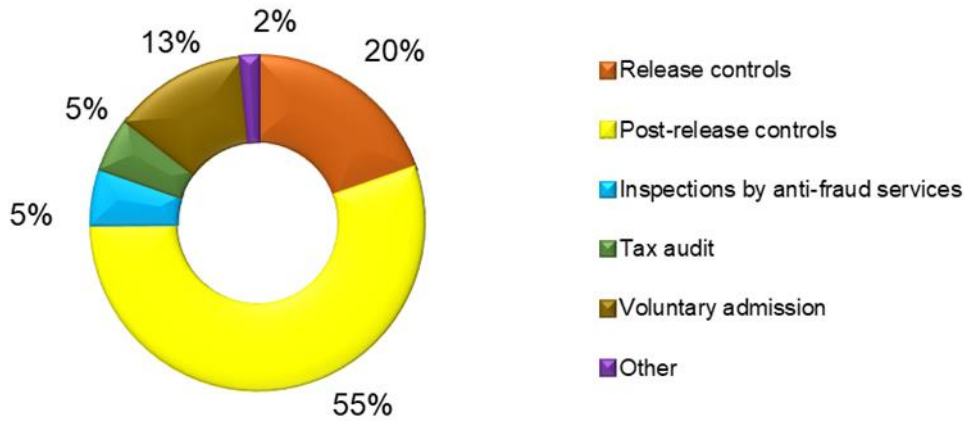
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<sup>25</sup> See Annexes 6 and 7.

<sup>26</sup> The category ‘Other’ combines, among others, the following procedures or treatments: processing under customs control, temporary admission, outward processing and the standard exchange system, exportation, a free zone or free warehousing, re-exportation, destruction and abandonment to the Exchequer.

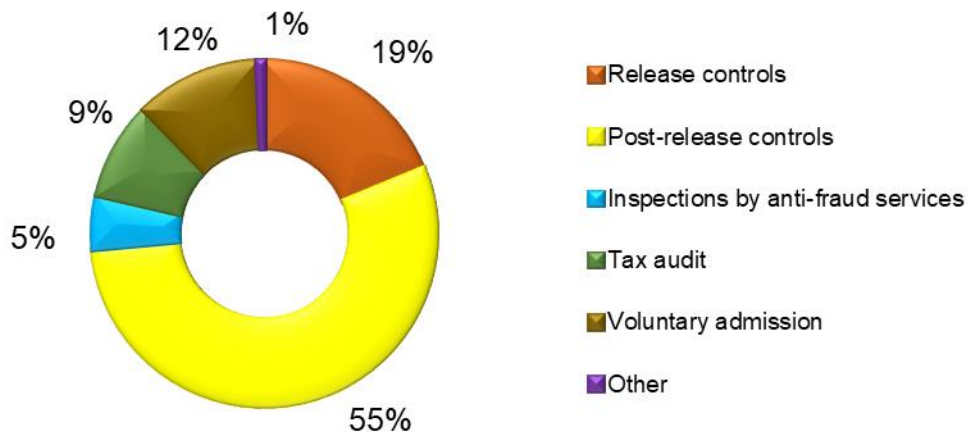
<sup>27</sup> See Annexes 8 and 9.

CHART TOR8: Method of detection 2021 – Cases not reported as fraudulent – by number of cases



As regards the estimated or established amounts, around 55% of all irregularities not reported as fraudulent registered for 2021 were detected during a post-release control, 19% during a control at the time of the release of the goods, 12% by voluntary admission, 9% during a tax audit and 5% during an inspection by anti-fraud services.

CHART TOR9: Method of detection 2021 – Cases not reported as fraudulent – by estimated and established amounts



In 13 Member States, more than 50% of all non-fraudulent cases — in amounts — were detected during post-release controls<sup>28</sup>, whereas in Belgium, Denmark, Luxembourg and Slovakia they were detected during release controls. In Greece, Portugal and Romania more than 50% of the amounts relating to non-fraudulent cases were detected by anti-fraud services. In Finland, 69% of all amounts reported in non-fraudulent cases were reported as voluntary admission.

In thirteen Member States voluntary admission was mentioned as a method of detection of cases reported as non-fraudulent<sup>29</sup>, with the highest amounts reported by Germany (EUR 15 million), Finland (EUR 8 million) and Spain (EUR 7 million).

2.3.2.3. *Electrical machinery and equipment vulnerable to irregularities*

In 2021, electrical machinery and equipment (mostly solar panels) were more vulnerable to non-fraudulent reported irregularities in monetary terms than other goods. About 18% (EUR 66 million) of the total amount established in non-fraudulent irregularities concerned this type of good. Of 18 Member States, the Netherlands reported the highest figure (63 cases totalling EUR 45 million). Incorrect classification/misdescription and incorrect value were the prevailing types of irregularity. Post-release controls were the most frequent type of check leading to the detection of irregularities in declarations of imported goods.

2.3.2.4. *Cases not reported as fraudulent by amount*

In 2021, the estimated and established amount was below EUR 100 000 in 3 088 non-fraudulent cases (88%), whereas it was above EUR 100 000 in 418 cases (12%).

The total estimated and established amount in non-fraudulent cases where the amount at stake was above EUR 100 000 amounted to EUR 286 million (78% of the total estimated and established amount for non-fraudulent cases).

Table TOR3: Cases not reported as fraudulent by amount category in 2021

Amount, EUR	N	Estimated and established amount, EUR
< 100 000	3.088	80.746.236
>= 100 000	418	286.006.657
<b>Total</b>	<b>3 506</b>	<b>366.752.893</b>

2.3.3. *Fraudulent and non-fraudulent cases and COVID-19 related goods*

In 2021, imports of COVID-19-related goods continued to increase compared to 2019, but more slowly than in 2020.

Analysis of the fraudulent and non-fraudulent irregularities detected in connection with COVID-19 related-goods<sup>30</sup> over the 2017-2021 period shows that the total number of cases (191) detected in 2021 was only 6% higher than the average for the last 5 years (181). However, the related TOR amount (EUR 31 million) doubled in 2021 compared to the average for the years 2017-2021 (EUR 15 million).

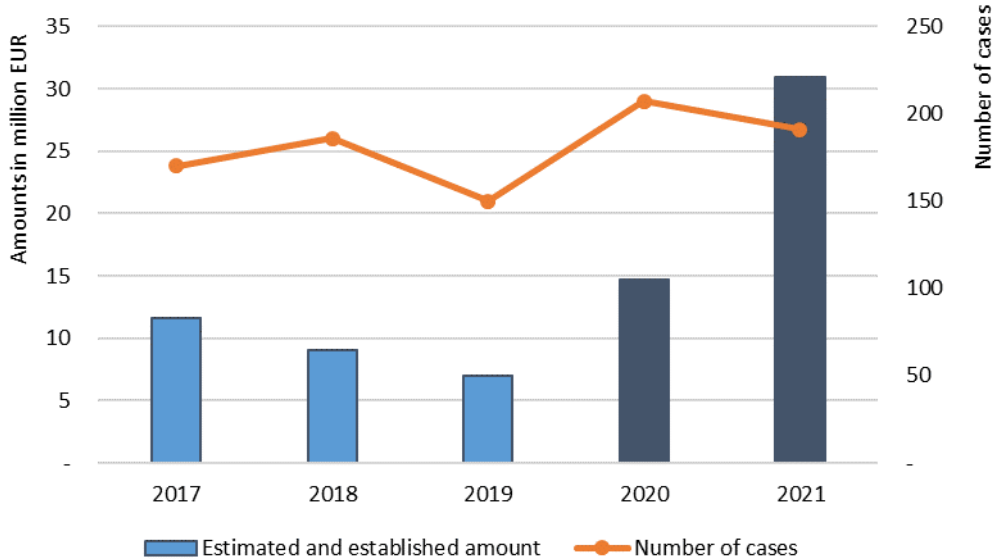
<sup>28</sup> Bulgaria, Czechia, Estonia, Ireland, Croatia, Lithuania, Hungary, Malta, the Netherlands, Austria, Poland, Slovenia and Sweden.

<sup>29</sup> Belgium, Czechia, Denmark, Germany, Ireland, Spain, France, Latvia, the Netherlands, Austria, Slovakia, Finland and Sweden.

<sup>30</sup> Not all imports of COVID-19-related goods are within the scope of Commission Decision (EU) 2021/491 of 3 April 2021.

The impact of irregularities affecting COVID-19-related goods, typically low, remained relatively low in 2021 (5% of the total number of irregularities reported in 2021 and 6% of the related amounts).

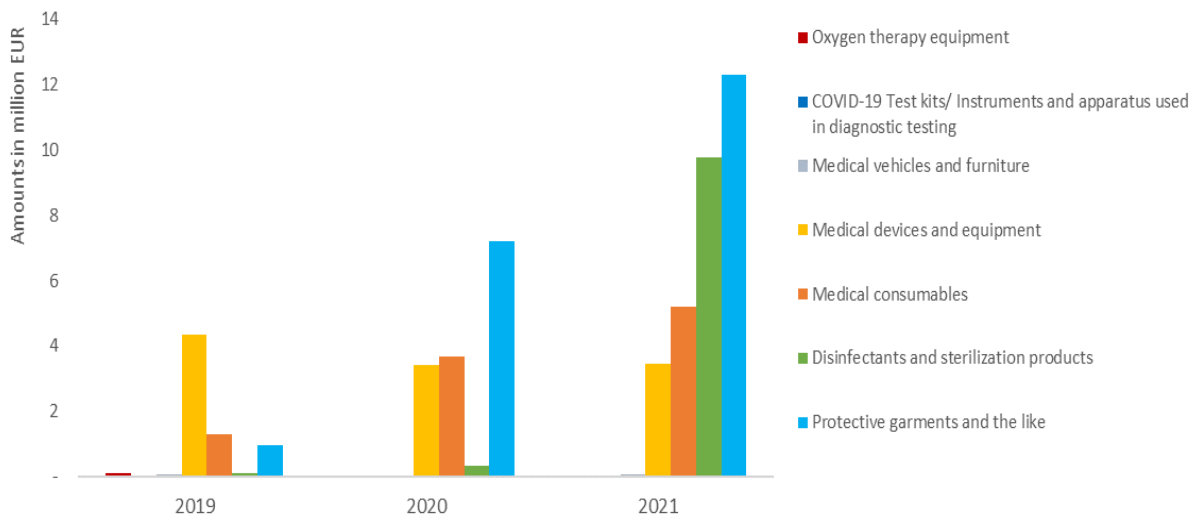
CHART TOR10: Cases related to COVID-19 goods reported as irregular and the related estimated and established amount (2017-2021)



Germany reported the highest number of cases (77). Belgium and Finland reported related amounts of EUR 9.5 million and EUR 8 million respectively. Thirteen other Member States were concerned to a lesser extent. The predominant types of working method were incorrect value and classification/misdescription. Errors in estimating customs duties were also found.

A notable increase in the amounts reported as irregular was observed in 2021, in particular for goods such as protective garments (gloves, boot covers, overshoes etc.), disinfectants and sterilisation products and medical consumables.

CHART TOR11: Cases related to COVID-19 goods reported as irregular and the related estimated and established amount (2019-2021)



## 2.4. Member States' activities

### 2.4.1. *Classification of cases as fraudulent and non-fraudulent and related rates*

For 2021, Member States reported 482 cases as fraudulent out of a total of 3 988 cases reported in OWNRES, indicating a fraud frequency level (FFL) of 12%. The differences between Member States are relatively large. In 2021, 11 Member States categorised between 10% and 50% of all cases reported as fraudulent. However, Luxembourg, Malta, Finland and Sweden did not categorise any cases reported as fraudulent. Eight Member States categorised less than 10% of cases as fraudulent<sup>31</sup>. Four Member States registered more than 50%<sup>32</sup> of cases as fraudulent.

In 2021, the total estimated and established amount affected by fraud in the EU was EUR 157 million and the overall incidence of fraud<sup>33</sup> was 0.63%. For 2021, the highest percentages are in Greece (3.5%), Belgium (3.3%) and Lithuania (2.34%)<sup>34</sup>.

The total estimated and established amount affected by cases not reported as fraudulent was nearly EUR 367 million, indicating a non-fraudulent irregularity incidence<sup>35</sup> of 1.48%. The highest percentages are in Finland (5.85%), the Netherlands (3.98%), Latvia (3.56%) and Spain (2.15%)<sup>36</sup>.

There are large differences between Member States' classifications, partly due to their classification practices. This can affect the comparison of the amounts involved in cases reported as fraudulent and as non-fraudulent by Member States. Moreover, individual bigger cases detected in a specific year may significantly affect annual rates. Factors such as the type of traffic, type of trade, economic operators' level of compliance, and a Member State's location can significantly affect the rates. Bearing these in mind these, the rates of incidence can also be affected by how a Member State's customs control strategy is set up to target risky imports and detect TOR-related fraud and irregularities.

### 2.4.2. *Recovery rates*

#### 2.4.2.1. *Cases reported as fraudulent*

Over the 1989-2021 period, OWNRES shows that, on average, 22% of the initially established amount was corrected (cancelled). The recovery rate for all years (1989-2021) is 40%<sup>37</sup>. The rate for cases reported as fraudulent and detected in 2021 is 20%<sup>38</sup>. The rate for cases reported as fraudulent is in general much lower than for cases not reported as fraudulent.

#### 2.4.2.2. *Cases not reported as fraudulent*

OWNRES shows that on the cut-off date, on average 27% (1989-2021) of the initially established amount in relation to cases not reported as fraudulent has been corrected (cancelled) since 1989. The recovery rate for non-fraudulent cases reported for 2021 is 60%<sup>39</sup>. On the cut-off

<sup>31</sup> Czechia (2%), Denmark (6%), Germany (4%), Ireland (4%), Spain (6%), Hungary (4%), the Netherlands (1%) and Austria (7%).

<sup>32</sup> Bulgaria (93%), Estonia (89%), Cyprus (100%) and Lithuania (68%).

<sup>33</sup> The percentage that the total established and estimated amounts related to fraudulent cases represent of the total TOR collected by Member States.

<sup>34</sup> See Annex 4.

<sup>35</sup> The percentage that the total established and estimated amounts related to non-fraudulent cases represent of the total TOR collected by Member States.

<sup>36</sup> See Annex 4.

<sup>37</sup> This calculation is based on 19 313 cases reported by the EU-27, an established amount of EUR 2 89 billion (after corrections already processed) and a recovered amount of EUR 1.16 billion.

<sup>38</sup> See Annex 10.

<sup>39</sup> See Annex 10.

date, the annual recovery rate for the last 5 years had varied between 60% and 88%. The overall recovery rate for all years (1989-2021) for all cases not reported as fraudulent is 76%<sup>40</sup>.

2.4.2.3. *Historical recovery rate (HRR)*

The HRR<sup>41</sup> confirms that in the long term, recovery in cases reported as fraudulent is generally much less successful than in cases not reported as fraudulent (Table TOR4). Classification of a case as fraudulent is therefore a strong indicator for forecasting short- and long-term recovery rates.

Table TOR4: *Historical recovery rate (HRR)*

Irregularities	HRR 1989-2018
Reported as fraudulent	49,67 %
Reported as non-fraudulent	90,99 %
<b>Total</b>	<b>76.71 %</b>

2.4.3. *Commission’s monitoring*

2.4.3.1. *Examination of the write-off reports*

In 2021, 26 new write-off reports were submitted to the Commission by 9 Member States. The Commission assessed 103 cases totalling EUR 54.8 million in 2021. In 65 of these cases, amounting to EUR 22.5 million<sup>42</sup>, the Commission's view was that the Member States did not demonstrate satisfactorily that the TOR were lost for reasons not imputable to them, so they were considered financially responsible for the loss. Late payment interest totalling EUR 46 million is also due.

Examination of Member States’ diligence in write-off cases is a very effective way of gauging their recovery activity. It encourages national administrations to step up the regularity, efficiency and effectiveness of their recovery activity, since any lack of diligence leading to failure to recover results in individual Member States having to foot the bill.

2.4.3.2. *Commission’s inspections*

In its TOR inspections, the Commission focused on Member States’ customs control strategies. The Commission also closely monitors Member States’ actions and their follow-up on observations made during its inspections.

In 2021, Commission services performed TOR inspections (on the spot in Member States or remotely) on: (i) the reliability of the TOR accounts and related statements; (ii) the follow-up on inspections of the customs value control strategy; (iii) the control strategy for anti-dumping and countervailing duties; (iv) the management of the separate account and the corrections of the normal account (refunds of customs duties).

During the inspections carried out in 2021, the Commission identified certain shortcomings in national customs systems. These shortcomings, some of which have a potential financial impact,

<sup>40</sup> This calculation is based on 82 668 cases reported by the EU-27, an established amount of EUR 5.7 billion (after corrections already processed) and a recovered amount of EUR 4.32 billion.

<sup>41</sup> The HRR expresses the recovery rate in both complex and easy cases. Established and closed cases from 2019 onwards are therefore excluded, because they are predominantly easy cases (complex cases can generally not be closed within 3 years).

<sup>42</sup> See Annex 11.

are being followed up and where the Commission considers that cooperation and progress in tackling outstanding issues are insufficient, it is applying corrective measures.

As the 2020 PIF report states, such corrective measures have already been applied by the Commission against the UK for undervalued textiles and footwear from China (Snapshot 1). On 8 March 2022, the CJEU issued its ruling in related Case C-213/19 against the UK. The Commission is in the process of analysing the implications of that CJEU ruling both for the UK (e.g. re-calculation of TOR losses) and for the Member States.

The Commission also quantified potential TOR losses with regard to the evasion of anti-dumping duties for solar panels and informed the EU Member States concerned.

One general conclusion the Commission has drawn from its inspections in Member States in recent years is that a timely and proactive approach to assessing and monitoring fraud risks is indispensable to effectively protect the EU's financial interests. This includes using all available sources of information, exchanging information among the services involved and giving prompt feedback on actions taken. Such permanent assessment, exchange of information and monitoring of fraud risks and trends, as well as feedback, is required to fine-tune the measures to be taken and in this way to better protect the EU's financial interests.

#### 2.4.3.3. *Particular cases of Member State failure to recover TOR*

If TOR are not established or recovered because of an administrative error by a Member State, the Commission applies the principle of financial liability<sup>43</sup>, making individual Member States responsible for the error. Member States were held financially liable in 2021 for over EUR 86 million<sup>44</sup>, and new cases are being followed up by the Commission.

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<sup>43</sup> Case C-392/02 of 15.11.2005. These cases are typically identified: (i) on the basis of Articles 119 and 120 (administrative errors that could not reasonably have been detected by the person liable for payment) and 103(1) (time-barring resulting from the inactivity of the customs administration) of the Union Customs Code; or (iii) on the basis of non-observance by the customs administration of articles of the Union Customs Code giving rise to legitimate expectations on the part of an operator.

<sup>44</sup> It includes customs duties (EUR 71 million) and interest (EUR 15 million), excluded payments made under reservation for solar panels, textiles and shoes originating from the People's Republic of China.



### 3. COMMON AGRICULTURAL POLICY

#### EXECUTIVE SUMMARY

Section 3 analyses fraudulent and non-fraudulent irregularities reported by the Member States to the Commission through the Irregularity Management System. It focuses on the irregularities related to the Common Agricultural Policy, covering support to agriculture (including direct payments to farmers and market measures) and rural development, during the period 2017-2021.

Over the period 2017-2021, the reporting of **fraudulent irregularities in relation to rural development increased** by 23%. It decreased for the programming period 2007-2013, as expected, and had a **slow start for the programming period 2014-2020**, which might indicate insufficient detection work in the Member States. The level of fraud detected for **support to agriculture was rather stable**, even if in 2021 the number of fraudulent irregularities decreased by 17% with respect to 2020.

Over the period 2017-2021, the rural development part of the budget was more affected by fraud than support to agriculture, as a proportion of the payments received by the Member States. However, the incidence of fraud for market measures was even higher than for rural development. Direct aid to farmers accounted for most payments, but the incidence of fraud was low, as it is entitlement-based and there are systems in place to support prevention. Similar patterns applied to non-fraudulent irregularities.

Over the past years, the **detection of fraud was concentrated in a few Member States** and this was not substantiated by a similar level of concentration in related payments. Differences in the quality of prevention or detection work carried out or different approaches taken to criminal investigation may contribute to this.

Over the period 2017-2021, **fraud in support to agriculture most often concerned the documentary proof**. Fraudulent irregularities concerning the **request** were also recurrent. In most cases, these irregularities concerning documentary proof or request were due to falsification. In the case of direct payments, most of these violations were concentrated in two Member States. A wide range of documents and information can be falsified, such as lease agreements, property documents, compliance with the conditionality requirements. Concerning fraud about ‘product, species or land’, **over or fictitious declarations were frequently detected**. When fraud in support to agriculture concerned the **implementation of the action, it was related to market measures**, often in combination with other violations. High financial amounts were recorded in several cases investigated by OLAF where **conflict of interest** was combined with other violations, in relation to the **market measure ‘Promotion’**. The **creation of artificial conditions** for the purpose of receiving financial support is a potential risk. For example, beneficiaries may artificially split agricultural holdings and request aid via several linked companies, to avoid degressive aid rates or limits in terms of area or animals.

In terms of **rural development** fraud, fraudsters mainly used the practice of **falsifying documents**. For example, this may involve falsifying invoices, declarations of equipment as new while it is second-hand, bids in procurement procedures, or false information provided on compliance with the conditions for receiving the aid. A significant number of fraudulent irregularities concerned **failure to fully implement the action**. The **creation of artificial conditions** is a potential risk also for rural development funding.

Concerning **market measures**, the highest number of fraudulent irregularities concerned **national support programmes for the wine sector**, in particular investment measures and

the restructuring and conversion of vineyards. The highest total financial amounts involved in fraud were related to the **fruits and vegetables sector**, where fraud most often concerned aid to producer groups for preliminary recognition, both measures concerning formation/administrative operation and measures concerning investment, sometimes together in the same case. The financial amounts involved were high also for the market measure specifically related to the **promotion of agricultural products**.

With reference to rural development and direct payments to farmers, **risk analysis and spontaneous information from civil society**, including from the media, have a **marginal contribution** in detecting fraudulent and non-fraudulent irregularities. In relation to market measures, risk analysis has a stronger role in detection, including because of the risk-based scrutiny of commercial documents of those entities receiving payments.

After about 10 years from initial reporting, **the share of cases of suspected fraud that have not led to conviction remains very high**, while the share of cases in which fraud is established is low. This may signal the need to invest further in reporting suspected fraud and in the investigation/prosecution phase.

### 3.1. Introduction

Section 3 presents a statistical evaluation of irregularities and fraud detected by the Member States in 2021 in expenditure under the common agricultural policy (CAP). It provides context to these detections by looking at past years and relevant programming periods (PP). The Member States reported these irregularities and cases of fraud to the Commission through the Irregularity Management System (IMS).

Over the period 2017-2021, the CAP's overarching objectives were (i) viable food production; (ii) sustainable management of natural resources and climate action; (iii) balanced territorial development. Over 99% of expenditure was disbursed by Member States under shared management.

For the purpose of this analysis, the CAP is split into two main parts:

- Support to agriculture (SA), by providing **direct aid to farmers (DA)** and **measures to respond to market disturbances (MM)**, such as private or public storage and export refunds. The European Agricultural Guarantee Fund (EAGF) finances these actions.
- **Rural development (RD)** programmes run by the Member States. The European Agricultural Fund for Rural Development (EAFRD) finances these programmes.

The European Maritime and Fisheries Fund (EMFF) provides funding and technical support to make the fishery industry more sustainable. However, EMFF is analysed together with the other structural funds, as it belongs to the ESIF (European Structural and Investment Funds) family of funding (see Section 4).

Table NR1 below shows the 2021 budget for the CAP, which represents about 33% of the EU budget.

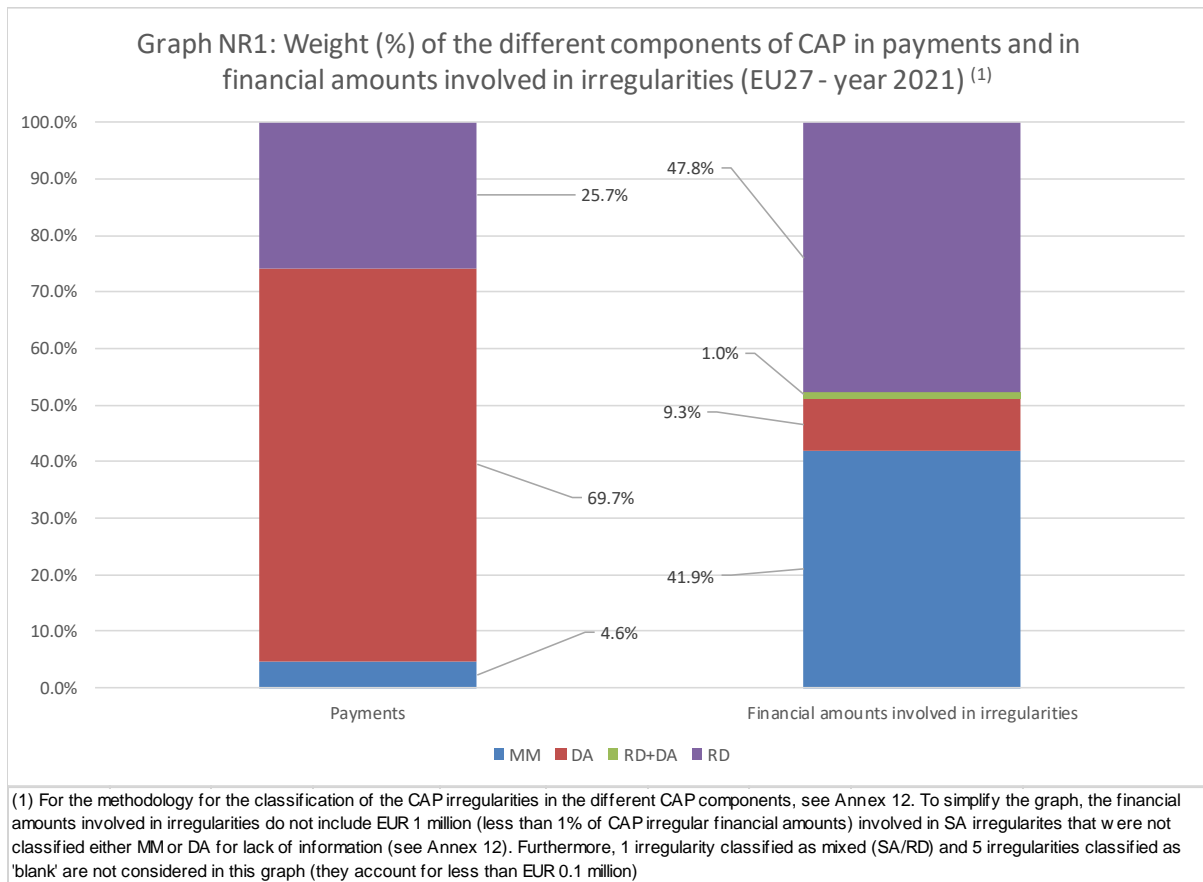
Table NR1: Financial year 2021 - EU27

Type of expenditure <sup>(1)</sup>	Management mode	Year 2021	
		Payments <sup>(2)</sup> EUR million	% of total EU budget %
DA: Direct aid	Shared	37,885	22.8%
MM: Intervention in agricultural markets	Shared	2,505	1.5%
RD: Rural development	Shared	13,998	8.4%
<b>TOTAL</b>		<b>166,140</b>	<b>100.0%</b>

(1) 'Intervention in agricultural markets' includes budget chapter 05.02. 'Direct aid' includes Budget chapter 05.03. 'Rural development' includes budget chapter 05.04.  
(2) Payments related to MM, DA and RD include only payments to EU27. The Total cover the whole EU budget.

Graph NR1 below shows the relative weight of different components of the CAP on payments and on the financial amounts involved in all CAP irregularities.

In 2021, rural development represented 26% of CAP payments, but 48% of the financial amounts involved in CAP irregularities. This difference in the percentage of payments and the percentage of irregular amounts was even more pronounced for market measures, which accounted for just 5% of payments and 42% of irregularities in terms of financial amounts. Instead, direct aid absorbed most of the CAP payments (70%), but accounted for less than 10% of the irregularities in terms of the financial amounts involved.



The European Commission is responsible for managing the EAGF and the EAFRD. However, the Commission does not **pay the beneficiaries itself**. Under the principle of shared management, this task is delegated to the Member States, who make the payments via national or regional **paying agencies**. Before these paying agencies can claim any expenditure from the EU budget, they must be accredited on the basis of a set of criteria laid down by the Commission.

Before making payments, these paying agencies must also, either directly or via delegated bodies, ensure that the **aid applications are eligible**. The **checks** they must carry out are laid down in the CAP sectorial regulations and vary from one sector to another. Specific national authorities are competent for rural development operations.

The **Commission reimburses the Member States** the expenditure made by the paying agencies. EAGF reimbursements are made on a monthly basis and EAFRD on a quarterly basis. Though entitlements and measures supported under the **EAGF follow a yearly flow**, those under the **EAFRD are implemented through multiannual programmes**, as action financed by other ESI Funds. In general, reimbursements are subject to possible **financial corrections** by the Commission, under the clearance of accounts procedures.

This report is structured as follows. Section 3.2 elaborates on general trends, broken down by fraudulent and non-fraudulent irregularities. Section 3.3 details more specific analyses (i) on the types of irregularities; (ii) on the detection rates by CAP component; (iii) on the irregularities affecting market measures; (iv) on risk analysis and spontaneous reporting. Section 3.4 focuses on the anti-fraud activities carried out and results obtained by the Member States, including analysing the fraud and irregularity detection rates (the ratio between the amounts involved in cases reported as fraudulent (FDR) or not reported as fraudulent (IDR) and the payments made during the same period of time).

### 3.2. General analysis

#### 3.2.1. Irregularities reported in the years 2017-2021

The analysis in Section 3 refers to the EU-27, unless specified otherwise. **UK data is added in the tables, as specified, to give a complete picture. However, the accompanying analysis focuses on the current Member States and EU-27 in aggregate.** In the whole section, when reference is made to ‘fraudulent’ or ‘fraud’, this includes both ‘*suspected fraud*’ and ‘*established fraud*’.<sup>45</sup>

Member States are requested to communicate:

- non-fraudulent irregularities only when they are detected after the expenditure has been introduced in a statement submitted to the Commission. This derogation does not apply to fraudulent irregularities: Member States must always report them.
- fraudulent and non-fraudulent irregularities involving financial amounts above EUR 10 000.<sup>46</sup> From 2017-2021, several Member States also reported several irregularities under this threshold. However, these cases represented only about 1% and 3% of the number of irregularities reported as non-fraudulent and fraudulent, respectively. To use all information reported by the Member States, they are included in the analysis for this section.<sup>47</sup>

#### 3.2.2. Irregularities reported as fraudulent

Table NR2 below provides an overview of the number of irregularities reported as fraudulent by the Member States, broken down by the type of support, from 2017-2021.<sup>48</sup> The number of irregularities found in rural development spending decreased during 2018 and 2019 (by 25%) and then bounced back during 2020 and 2021. As a result, **during the overall period 2017-2021, fraudulent irregularities detected and reported for rural development increased by 23%.** The irregularities found under support to agriculture were rather stable during 2018-2020. In 2021, there was a decrease of about 17% with respect to the previous year. This pattern resulted in an overall **decrease of about 30% for irregularities detected and reported for support to agriculture, during the 5-year period.**

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<sup>45</sup> ‘*Suspected fraud*’ means an irregularity that gives rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in Article 1(1)(a) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities’ financial interests. Regardless of the approach adopted by each Member State, ratification of the 1995 Convention has equipped every country with a basis for prosecuting and possibly imposing penalties for specific conducts. If this happens, i.e. a guilty verdict is issued and is not appealed against, the case can be considered ‘*established fraud*’. See ‘*Handbook on Reporting irregularities in shared management*’ (2017).

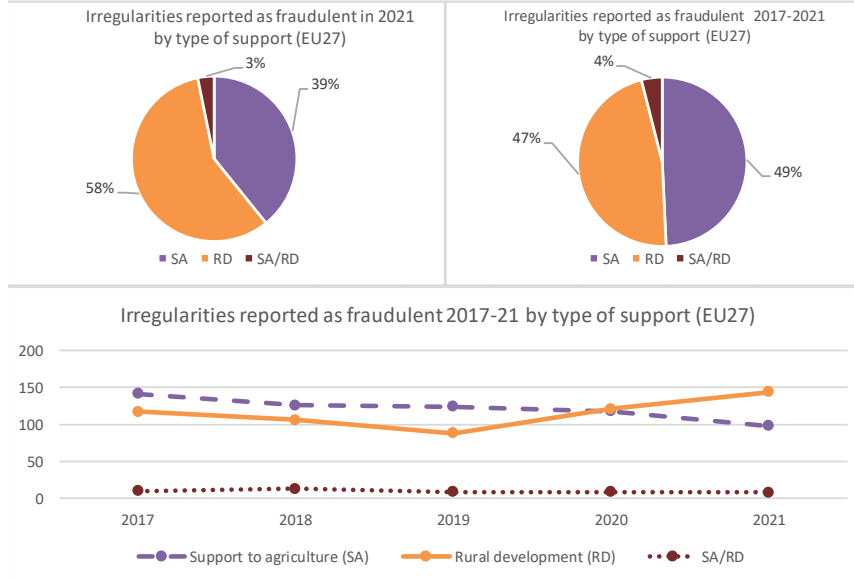
<sup>46</sup> The reporting of irregularities below this threshold between 2015-2019 was analysed in the framework of the 2019 PIF Report (see Section 3.2.1. of ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final (part 1/3)).

<sup>47</sup> Data for this section was downloaded from the Irregularity Management System (IMS) on 7/3/2022. When entering a case into IMS, the contributor is requested to specify the currency in which the amounts are expressed. If the value of this field is left blank, no transformation is applied. If this field is filled with another currency, the financial amounts involved in the irregularity are transformed on the basis of the exchange rates published by the ECB at the beginning of 2022.

<sup>48</sup> The category ‘unclear’ is used where the information is considered insufficient to classify the irregularity in any other category. Annex 12 provides a detailed explanation of the classification of irregularities in SA, RD, SA/RD, ‘unclear’.

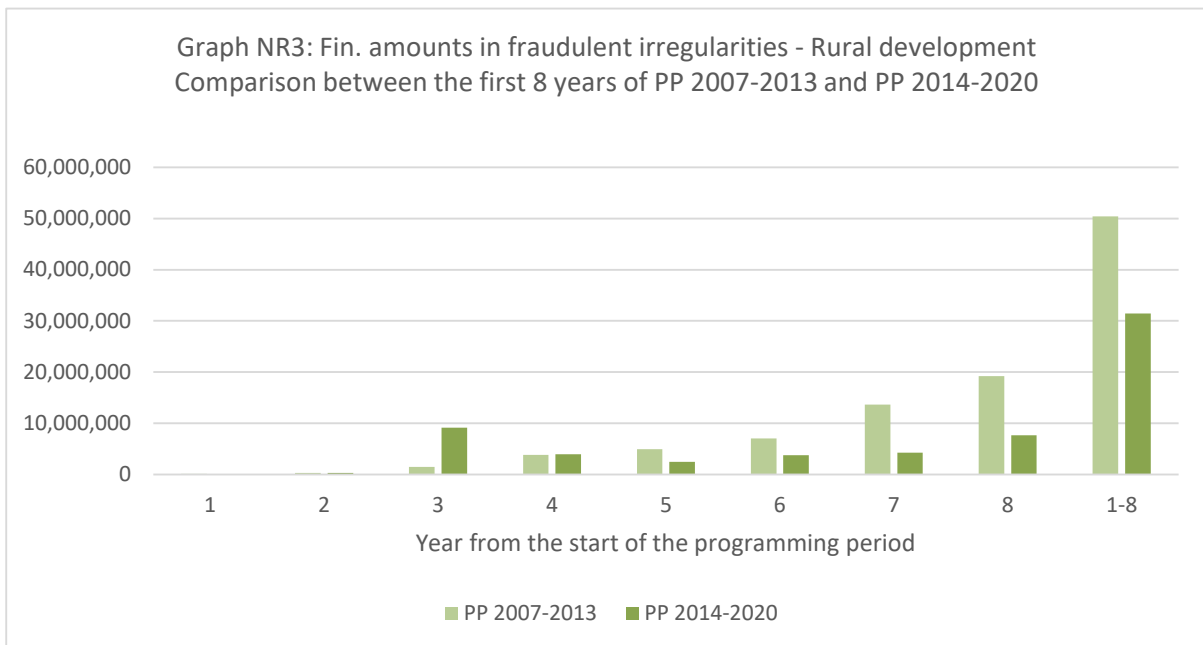
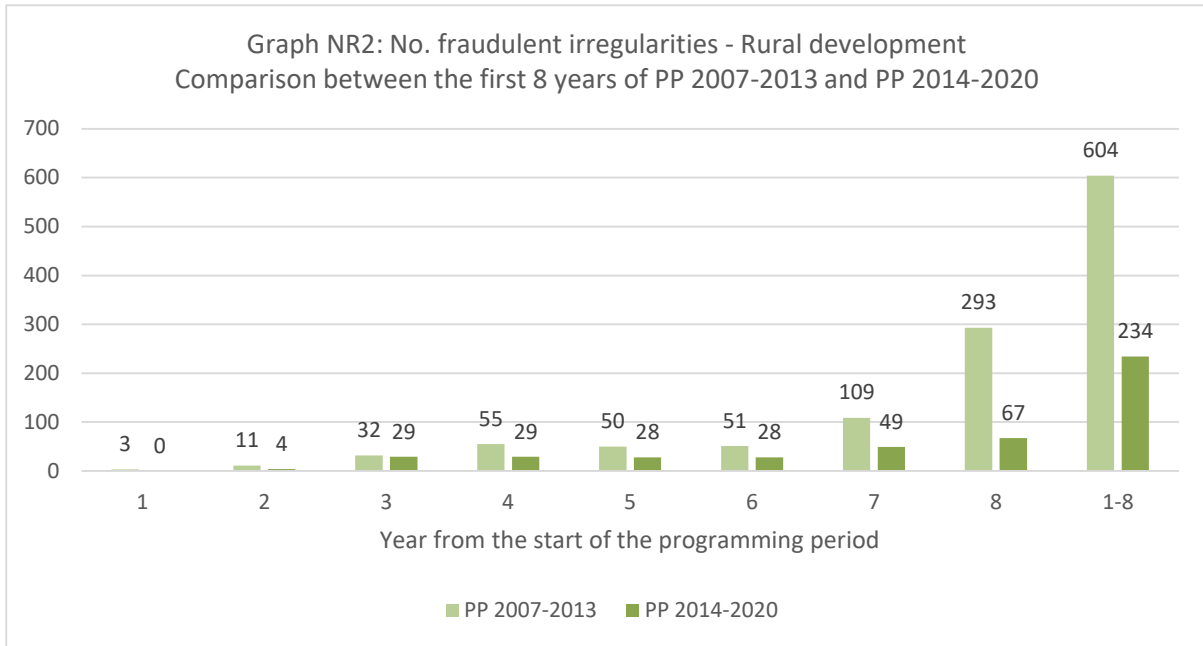
Table NR2 Number of irregularities reported as fraudulent by type of support - 2017-21 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	N
Support to agriculture (SA)	141	126	124	118	98	607
Rural development (RD)	117	106	88	121	144	576
SA/RD	10	13	9	9	8	49
Unclear	1	0	0	0	0	1
<b>TOTAL EU27</b>	<b>269</b>	<b>245</b>	<b>221</b>	<b>248</b>	<b>250</b>	<b>1,233</b>
UK		4	8	9	5	26



The irregularities in rural development expenditure reported for 2017-2021 concerned both PP 2007-2013 and PP 2014-2020. **The number of rural development cases related to PP 2007-2013 fell sharply in 2017, which was to be expected,** given that the PP closed in 2015. Since then, the number of PP 2007-2013 cases has been rather stable, but still higher than the number of PP 2014-2020 cases. The start of detections related to PP 2014-2020 has been rather slow.

For **PP 2014-2020, the slow start of reporting should be closely monitored to ensure it is not due to less of a focus on fraud detection.** Graph NR2 below compares the first eight years of PP 2007-2013 (2007-2014) with the first eight years of PP 2014-2020 (2014-2021), in terms of number of non-fraudulent irregularities detected and reported by the Member States. Graph NR3 below extends the comparison to the financial amounts involved. The gap between the two programming periods is clear since the beginning and is significantly increasing.



As shown in Table NR2 above, several irregularities were classified SA/RD, meaning that they were related to both components of the CAP. Basically, in all of these irregularities, **irregularities in rural development expenditure were found in combination with irregularities in direct aid to farmers.**

The detection of **fraudulent irregularities was concentrated in a few Member States.** From 2017-2021, the irregularities notified by the top five Member States in terms of cases reported represented about 70% of all irregularities reported as fraudulent (85% of financial amounts). In 2021, this rose to 85%, in terms of number of irregularities and more than 95%, in terms of financial amounts involved.

A deeper analysis of concentration was included in the 2018 PIF Report.<sup>49</sup> That analysis found that the **concentration of detections went beyond what could be expected given the level of concentration of payments**. This could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of the prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities are reported. **The concentration of detections was more accentuated for fraudulent rather than for non-fraudulent irregularities**. This suggests that **different approaches to criminal investigation and prosecution** could be an additional and significant factor giving rise to these different levels of detection across the Member States.

The graph attached to Table NR3 below shows the **trend of financial amounts** involved in irregularities reported as fraudulent.<sup>50</sup> For **rural development** irregularities, similar to the trend in terms of number of detections, the financial amounts involved fell in 2017. Since then, these financial amounts have been **fluctuating around a 5-year average** of about EUR 17 million. The trend in the financial amounts involved in support to agriculture was heavily influenced by **two cases concerning market measures, worth between EUR 20 and 30 million each**, which Poland detected in 2017 and 2018. This is the reason for the much higher financial amounts found over these two years. Excluding these two irregularities, the irregular financial amounts detected in relation to **support to agriculture were rather stable, reaching a record low in 2020, but bouncing back to the 5-year average (about EUR 13 million) in 2021**.

Over the period 2017-2021, 55% of the irregular financial amounts involved were in support to agriculture irregularities, and 42% were for rural development irregularities. However, over the same period, rural development payments represented just 26% of the CAP budget. Therefore, **rural development expenditure was more affected by fraud than support to agriculture expenditure**. This is analysed further in Section 3.3.2., through the fraud detection rate, distinguishing between direct aid to farmers and market measures.

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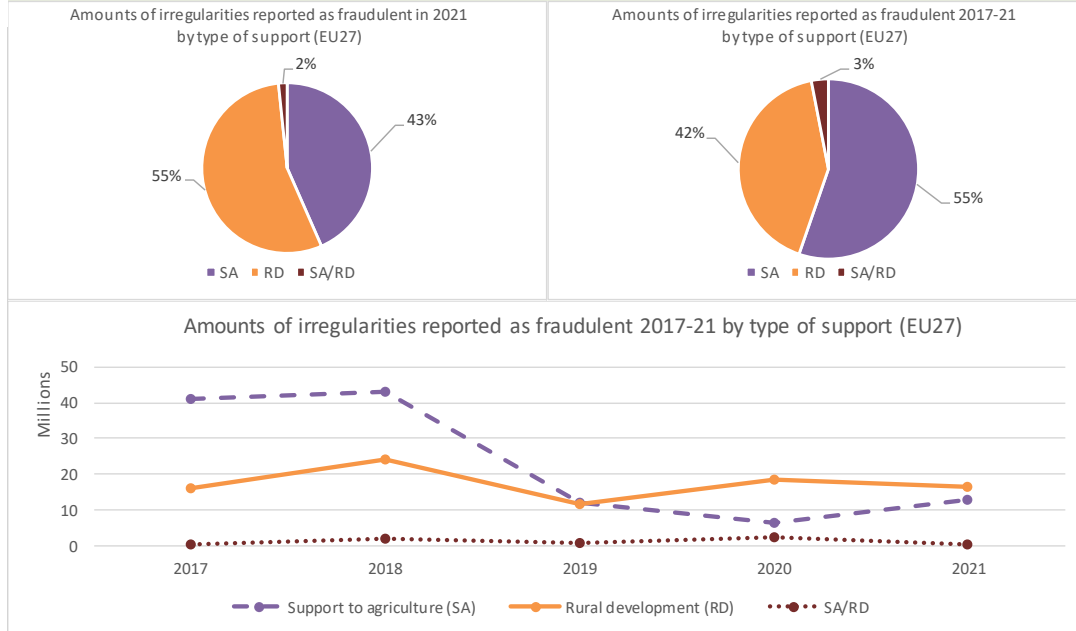
<sup>49</sup> Section 3.4.3 of ‘*Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2019)365 final.

<sup>50</sup> Fluctuations in the financial amounts involved in irregularities should not be misinterpreted. It must be kept in mind that a significant portion of financial amounts is linked to a relatively low number of cases. In this context, fluctuations are more likely and should not be overemphasised.



Table NR3: Financial amounts involved in irregularities reported as fraudulent by type of support - 2017-21 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	EUR	EUR	EUR	EUR	EUR	
Support to agriculture (SA)	40,837,943	42,851,872	11,961,810	6,498,151	13,026,048	115,175,824
Rural development (RD)	16,219,035	24,072,463	11,596,649	18,373,553	16,488,460	86,750,160
SA/RD	504,271	1,903,580	1,012,302	2,452,587	491,299	6,364,039
Unclear	12,492	0	0	0	0	12,492
<b>TOTAL EU27</b>	<b>57,573,741</b>	<b>68,827,915</b>	<b>24,570,761</b>	<b>27,324,291</b>	<b>30,005,807</b>	<b>208,302,515</b>
UK	0	67,213	147,531	407,667	87,900	710,311



An analysis covering the period 2015-2019, included in the 2019 PIF Report<sup>51</sup>, shows that in most fraudulent irregularities, the ‘persons involved’<sup>52</sup> were legal entities. Most of them were **private companies**, followed by non-profit organisations, in particular **associations**. For a significant one third of cases, the ‘persons involved’ were natural persons. Most of the fraudulent irregularities involved a single entity.

### 3.2.3. Irregularities not reported as fraudulent

Table NR4 below provides an overview of the number of irregularities not reported as fraudulent by the Member States, broken down by the type of support, from 2017-2021. The number of rural development irregularities not reported as fraudulent increased constantly until 2015, in line with implementation of the programmes, while the number of irregularities related to support to agriculture remained stable. Since then, **non-fraudulent irregularities in rural development fell sharply until 2017, were rather stable in 2018-2019, and started increasing again in 2020-2021, in line with progress in the implementation of PP 2014-2020.**

Table NR5 below focuses on the financial amounts involved in these irregularities. The irregular **financial amounts in rural development also peaked in 2015, then started to fall. This trend reversed in 2020, in line with the increase in the number of detected and reported irregularities during 2020-2021.** The irregular **financial amounts in support to agriculture fluctuated strongly** around an annual average of about EUR 77 million. This

<sup>51</sup> See Section 3.3.5. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final.

<sup>52</sup> A person involved is anyone who had or has a substantial role in the irregularity. This could be the beneficiary, the person who initiated the irregularity (such as the manager, consultant or adviser), the person who committed the irregularity, etc.

was mainly due to the fact that cases involving over EUR 15 million each were reported in 2017 (one case in Romania), 2019 (two cases in Poland) and 2021 (one case in Poland, accounting for nearly EUR 40 million) but none were detected in 2018 and 2020. **All of these irregularities were related to interventions in the agricultural markets.**

The number of non-fraudulent irregularities in spending on rural development regularly and significantly exceeded the number on support to agriculture, over the entire 2017-2021 period. As a result, **the number of irregularities in rural development were over double the number affecting support to agriculture.** Non-fraudulent irregularities in rural development also exceeded those in support to agriculture in terms of the financial amounts involved, but only by 16%.

Table NR4: Number of irregularities not reported as fraudulent by type of support - 2017-21 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	N	N	N	N	N	N
Support to agriculture (SA)	1,021	837	910	880	1,015	4,663
Rural development (RD)	1,712	1,715	1,574	2,020	2,400	9,421
SA/RD	54	55	53	27	35	224
Unclear	2	0	0	1	5	8
<b>TOTAL EU27</b>	<b>2,789</b>	<b>2,607</b>	<b>2,537</b>	<b>2,928</b>	<b>3,455</b>	<b>14,316</b>
UK	58	77	138	135	99	507

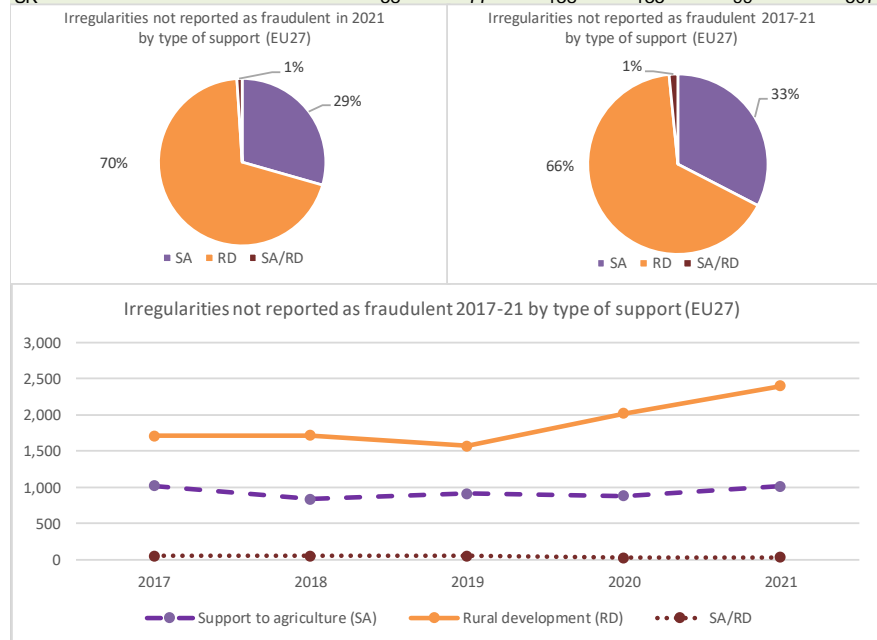
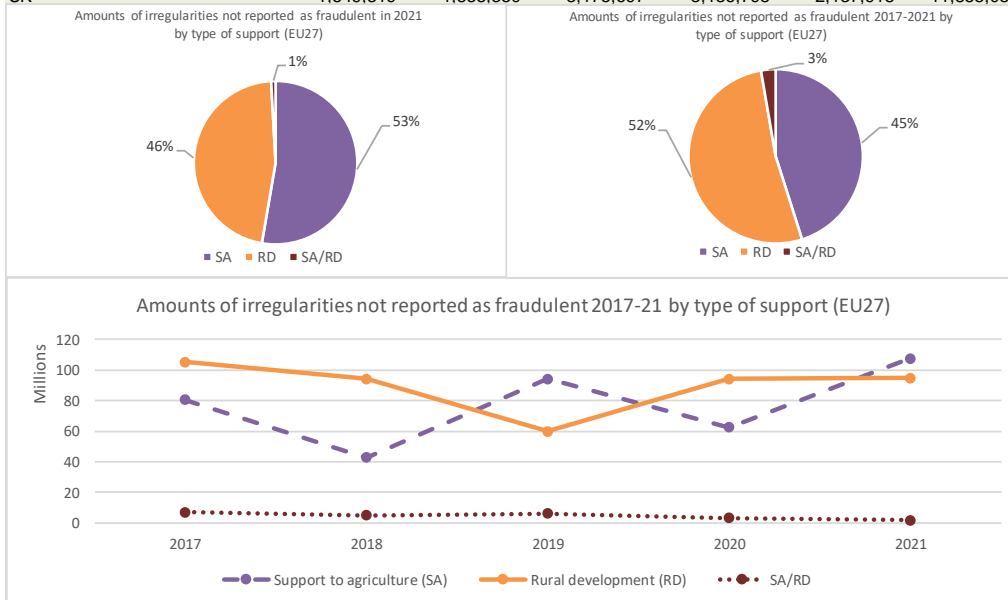


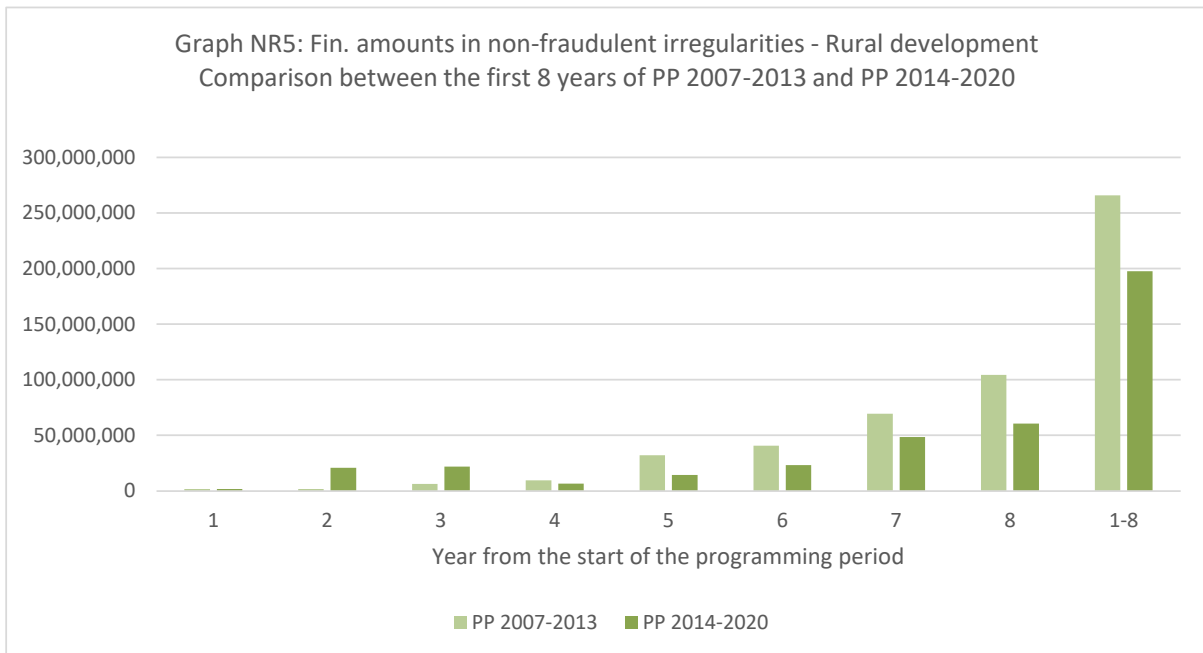
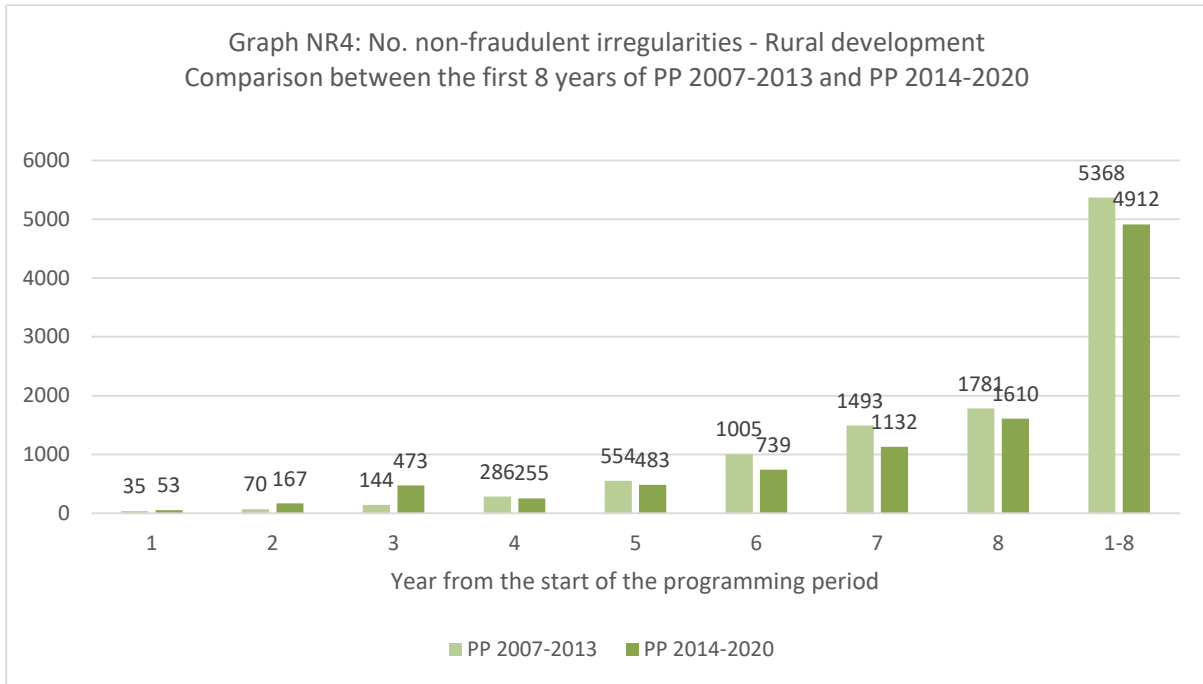
Table NR5: Financial amounts involved in irregularities not reported as fraudulent by type of support - 2017-21 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	EUR	EUR	EUR	EUR	EUR	EUR
Support to agriculture (SA)	80,596,255	42,672,046	94,304,470	62,394,925	107,475,232	387,442,928
Rural development (RD)	105,214,235	94,306,048	59,874,359	94,132,359	94,702,175	448,229,176
SA/RD	6,905,271	5,112,360	6,071,257	3,396,070	1,768,514	23,253,472
unclear	36,022	0	0	30,073	73,731	139,826
<b>TOTAL EU27</b>	<b>192,751,783</b>	<b>142,090,454</b>	<b>160,250,086</b>	<b>159,953,427</b>	<b>204,019,652</b>	<b>859,065,402</b>
UK	1,549,319	1,858,350	3,175,697	3,136,798	2,137,918	11,858,082



Irregularities in rural development spending were found in both PP 2007-2013 and PP 2014-2020. On the one hand, **the number of rural development cases related to PP 2007-2013 fell sharply during 2017-2019, which was to be expected**, considering that this programming period closed in 2015. Since then, there were still detections of PP 2007-2013 cases and they have been following a stable trend. On the other hand, **the Member States started reporting detections related to PP 2014-2020, following an accelerating trend, reflecting progress in the implementation under this programming period.**

**For PP 2014-2020, the reporting dynamics are broadly in line with those at the start of the previous programming period.** Graph NR4 below compares the first eight years of PP 2007-2013 (2007-2014) with the first eight years of PP 2014-2020 (2014-2021), in terms of number of non-fraudulent irregularities detected and reported by the Member States. Graph NR5 below extends the comparison to the financial amounts involved. There is a gap between the two programming periods, but it is much narrower than that related to fraudulent irregularities.



As shown in Table NR4 above, several irregularities were classified as SA/RD, meaning that they were related to both components of the CAP. Basically, in all these cases, **irregularities in rural development spending were combined with infringements concerning direct aid to farmers.**

### 3.3. Specific analysis

#### 3.3.1. Modus operandi

##### 3.3.1.1. Support to agriculture

Table NR6 below provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases **reported as fraudulent in relation to support to agriculture** in 2021 and the financial amounts involved. It also gives the figures over the

period 2017-2021.<sup>53</sup> In the following paragraphs, the adjective ‘pure’ is used to refer to cases where a specific category of irregularity is not combined with other categories.

Table NR6: Categories of irregularities reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	Irregularities reported as fraudulent in 2021		Irregularities reported as fraudulent 2017-21	
		N	EUR	N	EUR
T14	Documentary proof	64	5,920,303	337	18,715,377
T15	Product, species and/or land	10	122,645	58	3,526,675
T11	Request	7	365,159	95	5,379,755
T19	Ethics & Integrity	5	3,807,560	22	32,375,493
T12   T14	Beneficiary/Documentary proof	4	856,637	4	856,637
T90	Other	4	494,366	18	1,522,857
T12	Beneficiary	2	891,890	10	4,813,191
T14   T16	Documentary proof/(Non-)action	1	554,140	4	642,610
T11   T14	Request/Document proof	1	13,348	6	557,938
T16	(Non-)action	0	0	22	26,316,619
T13	Accounts & records	0	0	7	209,242
T12   T16   T19	Beneficiary/(Non-)action/ Ethics & Integrity	0	0	5	9,374,623
T11   T16	Request/(Non-)action	0	0	5	490,170
T16   T40   T19	(Non-)action/Public procurement/Ethics & Integrity	0	0	2	3,953,696
T14   T11   T13	Documentary proof/Request/Accounts & records	0	0	2	249,795
T11   T14   T16	Request/Document proof/(Non-)action	0	0	2	56,963
T14   T15	Documentary proof/Product, species and/or land	0	0	2	26,502
T19   T16	Ethics & Integrity/(Non-)action	0	0	1	2,662,694
T19   T12	Ethics & Integrity/Beneficiary	0	0	1	2,287,276
T13   T12   T19	Accounts & records/Beneficiary/Ethics & Integrity	0	0	1	997,582
T14   T16   T13	Documentary proof/(Non-)action/Accounts & records	0	0	1	122,116
T15   T11   T13	Product, species and/or land/Request/Accounts & records	0	0	1	23,208
T11   T13	Request/Accounts & records	0	0	1	14,805
<b>TOTAL EU27</b>		<b>98</b>	<b>13,026,048</b>	<b>607</b>	<b>115,175,824</b>

**The irregularities reported in 2021 mainly concerned the documentary proof.** Over the whole period 2017-2021, irregularities concerning the **request** were also recurrent. Both in relation to direct payments to farmers and market measures, most of these violations concerned falsification. In the case of direct payments, most of these violations were concentrated in two Member States (Romania, for violations concerning the documentary proof, and Italy, for violations concerning the request). A wide range of documents and information can be falsified, such as lease agreements, property documents, compliance with the conditionality requirements.

Over the period 2017-2021, the Member States detected few fraudulent cases of ‘pure’ ‘*(non) action*’. **These cases accounted for the second highest financial amount involved**, but this was influenced by one irregularity related to market measures that accounted for more than EUR 20 million (out of EUR 26 million). Nearly all of these ‘pure’ ‘*non-action*’ violations concerned **market measures**. In addition, ‘*(non-)action*’ had a tendency to take place in combination with other violations, concerning for example the documentary proof, the request, ethics and integrity. Also all of these irregularities concerned market measures.

#### Examples of fraudulent irregularities reported as ‘*(non-action)*’ in relation to market measures

*Example 1:* The beneficiary submitted an application for support concerning the withdrawal from the market of a specified quantity of a specific agricultural product. These agricultural products should have been transferred to a charitable organisation, but this never took place.

*Example 2:* The beneficiary received aid for the reduction of milk production, following false declarations about the leasing/sale of part of the cows to other farmers. Actually, there was no reduction in the milk deliveries by the beneficiary. In another case, despite the declaration of reduction of milk production, the milk was still produced on the beneficiary’s farm and delivered to the first purchaser through another person linked

<sup>53</sup> For the full description of the categories of irregularities and the related types of violations, please see Annex 13.

to the beneficiary. In another case, there was only a formal relocation of part of the production among members of the same producer group.

Irregularities in the category ‘pure’ *‘product, species and/or land’* were more frequently detected, mostly in relation to **direct aid to farmers**. The majority of these violations concerned *‘overdeclaration and/or declaration of fictitious product, species and/or land’*.

**Examples of fraudulent irregularities reported as ‘overdeclaration and/or declaration of fictitious product, species and/or land’ in relation to direct aid to farmers**

*Example 1:* The beneficiary declared ownership of a plot of land. However, this plot was owned by a public agency.

*Example 2:* The beneficiary requested direct payments in relation to the use of a number of plots of land. Cross-checks revealed that these plots were declared for payment also by other beneficiaries. In another case, the beneficiary requested aid for plots of land that he had leased to another person. In another case, the beneficiary requested aid in relation to land he was not using. The lease agreement submitted with the application did not match with the contract submitted by the lessor at the request of the paying agency. In another case, the leasee did not carry out the agricultural activities he was supposed to carry out on the declared land. The application had been made just to obtain the subsidies, which were transferred to the lessor, who was the legal representative of the leasee.

Over the whole period 2017-2021, 22 irregularities were reported in the category ‘pure’ *‘ethics and integrity’*. All of these irregularities were communicated by Poland and were not reported under the types *‘conflict of interest’, ‘bribery’* or *‘corruption’*, but as *‘other irregularities concerning ethics and integrity’*. Most concerned the **creation of artificial conditions for receiving financial support and direct aid to farmers**. For example, beneficiaries may artificially split agricultural holdings and request aid through several linked companies, to avoid degressive aid rates or limits in terms of area or animals. Other Member States may have reported this type of infringement under other categories. Two irregularities concerned instead **market measures** and they involved the highest financial amounts. One of these irregularities included overstating costs for assets transferred among members of the same group of producers.

**Examples of fraudulent irregularities related to the creation of artificial conditions**

*Example 1:* The beneficiary submitted several applications as a natural person and as manager of a number of companies. There were personal and family links between the beneficiary and the other entities applying for payments. This was meant to circumvent rules about degressive rates of support.

*Example 2:* The beneficiary established legal entities with personal, capital, family and business links, to obtain direct payments exceeding the maximum ceilings per beneficiary.

**High average financial amounts (about EUR 1.8 million) were recorded in several cases of conflict of interests combined with other violations** (8 irregularities). In 2019, Czechia reported two irregularities related to corruption, in combination with public procurement infringements (conflict of interests) and failure to implement the action. In five irregularities reported by Bulgaria in 2018, conflict of interests was combined with violations concerning the *‘beneficiary’* (mostly not having the required quality) and *‘(non) action’* (infringements relating to the cofinancing system). In another case detected in Bulgaria, a conflict of interests was combined with violations concerning the *‘beneficiary’* (not having the required quality) and *‘accounts & records’* (revenues not declared). **All of these eight irregularities were related to the market measure ‘promotion’** (see Section 3.3.3) **and were investigated by OLAF**. The investigations uncovered complex fraudulent schemes, mainly based on price inflation, kickback payments and money laundering. The public procurement procedures were breached through a solid network of companies based in different countries. In some cases, the manipulation was possible also due to the collusion of the beneficiaries.

Table NR7 below provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases **not reported as fraudulent in support to agriculture expenditure** in 2021 and the financial amounts involved. It also gives the total for these categories (or combinations of categories) for the period 2017-2021.

**Irregularities due only to the 'request' (pure) were by far the most recurrent category during 2017-2021, most of the times related to direct payments to farmers. However, during the last year, violations concerning the category 'documentary proof' were the most frequent, with a significant increase compared with the previous four years.**

Concerning the category '*request*' in relation to **direct payments to farmers**, during 2017-2021, the most recurrent type of violation by far was '*false or falsified request for aid*', followed by '*incorrect or incomplete request for aid*'. This rate of irregularities related to **falsification would not be expected for non-fraudulent irregularities**. During 2021, about one third of the violations concerning the **request** in support to agriculture were related to **market measures**, which was much more than before. In general, when violations concerning the request concerned market measure, the specific infringement was about '*product, species, project and/or activity not eligible for aid*'.

Concerning the category '*documentary proof*', more than half of this type of violations reported during the past five years have been detected in 2021, with a three-fold increase compared to 2020, which had already doubled the detections from 2019. The vast majority of these infringements reported in 2021 were detected in **Greece in relation to direct payments to farmers** and concerned documents that were incomplete or incorrect. During 2017-2021, the violations related to direct payments to farmers were still the majority, but the infringement related to **market measures** were more recurrent than during 2021. In general, during 2017-2021, there were a few cases related to false or falsified documents, which would not be expected for non-fraudulent irregularities.

Table NR7: Categories of irregularities not reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	Irregularities not reported as fraudulent in 2021		Irregularities not reported as fraudulent 2017-21	
		N	EUR	N	EUR
T14	Documentary proof	387	8,575,269	708	23,890,201
T11	Request	144	5,499,603	1,266	52,442,069
T16	(Non-)action	138	17,749,770	775	132,951,446
T90	Other	113	4,535,464	386	17,864,852
T15	Product/species and/or land	107	4,071,296	634	19,731,625
T12	Beneficiary	60	49,921,119	357	95,801,823
T19	Ethics & Integrity	21	13,835,591	168	17,799,834
T13	Accounts & records	10	254,503	47	2,410,898
T11   T14	Request/Documentary proof	7	622,542	50	2,966,696
T16   T12	(Non-)action/Beneficiary	7	1,424,051	56	3,601,514
T11   T13	Request/Accounts & records	6	275,003	13	2,016,074
T11   T16	Request/(Non-)action	3	62,320	26	1,132,227
T15   T16	Product/species and/or land/(Non-)action	2	112,509	5	310,503
T14   T16	Documentary proof/(Non-)action	2	48,136	18	1,473,502
T14   T11   T16	Documentary proof/Request/(Non-)action	1	161,315	9	743,330
T15   T16   T14	Product/species and/or land/(Non-)action/Documentary proof	1	121,424	1	121,424
T11   T15	Request/Product/species and/or land	1	111,791	16	493,777
T11   T12	Request/Beneficiary	1	10,544	6	643,046
T18	Bankruptcy	1	32,016	2	83,979
T90   T11	Other/Request	1	18,397	3	119,992
T15   T11   T14	Product/species and/or land/Request/Documentary proof	1	15,706	20	896,936
Null	Null	1	16,862	14	1,741,807
T17   T13   T14	Movement/Accounts and records/Documentary proof	0	0	12	790,078
T14   T12   T16	Documentary proof/Beneficiary/(Non-)action	0	0	10	2,614,352
T11   T13   T14	Request/Accounts & records/Documentary proof	0	0	10	892,615
T17	Movement	0	0	6	532,680
T12   T14	Beneficiary/Documentary proof	0	0	5	205,079
T13   T16	Accounts & records/(Non-)action	0	0	4	188,871
T13   T14	Accounts & records/Documentary proof	0	0	4	129,822
T13   T15   T11   T14	Accounts & records/Prod./species and/or land/Request/Docum.	0	0	4	43,780
ALL OTHER		0	0	28	2,808,096
<b>TOTAL EU27</b>		<b>1,015</b>	<b>107,475,232</b>	<b>4,663</b>	<b>387,442,927</b>

During 2017-2021, the highest irregular financial amounts were due to infringements concerning '(non) action'. The vast majority of these irregularities were related to **market measures**. About 27% of the irregular financial amounts reported over the past five years for '(non) action' were due to two irregularities related to market measures, totalling about EUR 36 million. Focusing on the irregularities related to **market measures**, the highest financial amounts were involved in cases where the **action was not implemented** and in cases where the beneficiary carried out an **operation that was prohibited during the measure**. The most reported violations were about **actions not implemented or not completed**. Focusing on the irregularities related to **direct payments to farmers**, the financial amounts involved were low and most of the violation concerned the **action not implemented or not completed**.

During the last year, the financial amounts related to violations concerning the category '**beneficiary**' were the highest, with a significant increase compared with the previous four years. The high financial amounts concerned irregularities related to **market measures**. The vast majority of violations were instead related to **direct payments to farmers** and were about '**operator/beneficiary not having the required quality**'. However, this prevalence in terms of numbers is less significant if also irregularities are considered where these violations were **combined with other infringements**, especially concerning '(non-)action', which were basically always related to **market measures**. Concerning irregularities related to market measures, half of the 'pure' '**beneficiary**' cases and basically all of the cases where there is a combination of other types of infringements concerned '**operator/beneficiary not having the required quality**'.



Other recurrent categories of irregularities in support to agriculture expenditure not reported as fraudulent were related to '*product, species and/or land*', or '*ethics and integrity*' (not combined with other categories of irregularity). The majority of the violations concerning '*product, species and/or land*' were related to **direct payments to farmers**. In this case, the most reported violation was '*overdeclaration and/or declaration of fictitious product, species and/or land*'. When these irregularities concerned **market measures**, the most reported violation was '*inexact quantity*'. Concerning '*ethics and integrity*', apart from one case of conflict of interest<sup>54</sup>, all of these violations were reported as '*other irregularities concerning ethics and integrity*'.

### 3.3.1.2. Rural development

Table NR8 below provides an overview of the most frequent categories of irregularities **reported as fraudulent** in rural development expenditure in 2021 and the corresponding financial amounts. It also gives the total for these categories over the period 2017-2021.

Similar to the findings for support to agriculture, there were **mainly cases of 'pure' falsification of the documentary proof or, to a lesser extent, of requests for aid**. Falsification may concern, for example, invoices, declarations of equipment as new while it is second-hand, bids in the context of procurement, and information on compliance with conditions for receiving the aid. The pure category '*documentary proof*' was by far the most reported, most often because of false or falsified documents. The category pure '*request*' was another frequent category, most often in relation to false or falsified requests of aid.

#### Examples of fraudulent irregularities related to the documentary proof

*Example 1:* The beneficiary simulated a procurement procedure in relation to the purchase of agricultural equipment. In reality, the beneficiary directly bought the equipment and the company selected through the simulated procurement procedure issued a false invoice for the same equipment. In addition, the equipment was supposed to be new, while it was second-hand. To hide this, false manufacturer labels were attached to the equipment.

*Example 2:* To get the reimbursement of expenditure under the EU funded project, the beneficiary had to attach two offers for the same item, to evidence that the price was reasonable. For many items, offers were received from company A and company B, always in competition among each other. However, company A did not exist; business information and employees from company B were used in the false offers of the inexistent company A.

*Example 3:* To receive an advanced payment, the beneficiary had to attach a guarantee from a financial institution. Checks with the financial institution ascertained that the financial institution had never issued that guarantee, which was therefore false.

*Example 4:* The beneficiary declared that a building funded by the EU was used for the sale of agricultural products, while it was used as home by the beneficiary.

A significant number of detections and irregular financial amounts were related to pure '*(non) action*'. Under this category, from 2017-2021, the most reported type of violation was about **actions not implemented**.

#### Examples of fraudulent irregularities related to the implementation of the action

*Example 1:* The beneficiary did not fully implement the construction works envisaged in the business plan and did not increase to number of jobs.

*Example 2:* The beneficiary did not use the accommodation built with the support of the EU fund for renting to the public. The beneficiary used it for private purposes, without advertising the availability of the accommodation.

<sup>54</sup> There was one additional case of conflict of interest in combination with other categories of violation. Both cases where conflict of interest was involved were related to market measures.

*Example 3:* The beneficiary re-sold the agricultural vehicle bought with the support of EU funds, instead of using it during the operating period.

The category pure ‘*ethics and integrity*’ accounted for 34 irregularities found during 2017-2021. Similar to support to agriculture cases, Poland communicated most of these violations and they were not reported under the types ‘*conflict of interest*’, ‘*bribery*’ or ‘*corruption*’, but as ‘*other irregularities concerning ethics and integrity*’. Most of these violations concerned the **creation of artificial conditions for receiving financial support**. Other Member States may have reported this type of infringement under other categories of irregularity, such as the one referring to the beneficiary (for example, using the the type of violation ‘*operator/beneficiary not having the required quality*’ or ‘*other*’).

**Example of fraudulent irregularities related to the creation of artificial conditions**

The beneficiary created false information about having had revenue from the sale of self-produced agricultural products or products resulting from their processing in the period prior to the application. This was needed to qualify for the support.

**Two irregularities were reported as corruption and a few as conflict of interest.** One case of conflict of interest was reported under ‘*ethics and integrity*’, together with other violations concerning the documentary proof. Eight cases of conflict of interest in public procurement were reported<sup>55</sup>, always combined with false or falsified requests for aid. In two of these cases, conflict of interest was also combined with false or falsified documents and, in another case, with non-implementation of the action.

Table NR8: Categories of irregularities reported as fraudulent in relation to rural development

Code	Category of irregularity	Irregularities reported as fraudulent in 2021		Irregularities reported as fraudulent 2017-21	
		N	EUR	N	EUR
T14	Documentary proof	80	8,408,281	279	26,028,589
T16	(Non-)action	16	373,590	48	3,625,247
T11   T14	Request/Documentary proof	11	1,730,118	19	3,169,745
T90	Other	6	3,451,055	49	32,361,341
T14   T16	Documentary proof/(Non-)action	6	691,444	14	1,649,998
T13	Accounts & records	6	79,971	15	358,991
T19	Ethics & integrity	5	161,664	34	2,534,869
T14   T15	Documentary proof/Product/species and/or land	3	260,386	4	419,506
T11	Request	3	58,799	44	4,802,074
T11   T14   T16	Request/Documentary proof/(Non-)action	2	127,666	9	873,530
T15	Product/species and/or land	2	56,257	13	295,804
T14   T18	Documentary proof/Bankruptcy	1	496,144	1	496,144
T11   T13   T19   T14	Request/Accounts & records/Ethics & integrity/ Documentary proof	1	357,814	1	357,814
T11   T16	Request/(Non-)action	1	122,340	1	122,340
T12	Beneficiary	1	112,932	12	1,345,644
T40   T11	Public procurement/Request	0	0	5	233,911
T40	Public procurement	0	0	4	340,925
T12   T14	Beneficiary/Documentary proof	0	0	4	248,641
T14   T19	Documentary proof/Ethics & integrity	0	0	2	463,844
T11   T40	Request/Public procurement	0	0	2	215,923
T13   T14	Accounts & records/Documentary proof	0	0	2	141,719
T12   T19	Beneficiary/Ethics & integrity	0	0	2	96,145
T11   T40   T14	Request/Public procurement/Documentary proof	0	0	2	72,983
T13   T17	Accounts and records/Movement	0	0	1	3,783,746
ALL OTHER		0	0	8	1,150,850
Null		0	0	1	1,559,839
<b>TOTAL EU27</b>		<b>144</b>	<b>16,488,460</b>	<b>576</b>	<b>86,750,161</b>

<sup>55</sup> Under the category ‘public procurement’ and not ‘ethics and integrity’.

Table NR9 below provides an overview of the most frequent categories of irregularities **not reported as fraudulent** in rural development expenditure in 2021 and the corresponding financial amounts. It also gives the total for these categories over the period 2017-2021.

The highest number of detections and irregular financial amounts were related to pure '*(non) action*', in particular **action not completed, action not implemented, or failure to respect deadlines**. Violations concerning '*documentary proof*' alone (pure) or the '*beneficiary*' were also recurrent. They were also often combined with the category '*(non) action*' and with each other.

Over the period 2017-2021, the number of infringements related to '*documentary proof*' followed that of infringements concerning '*(non) action*', most often because of **missing documents**. However, during 2017-2021, false and/or falsified documents were reported in a number of cases (about 50, including where combined with other violations), which would not be expected for non-fraudulent irregularities. The same applies to the category '*request*', with a number of cases of falsification (about 20).

Code	Category of irregularity	Irregularities not reported as fraudulent in 2021		Irregularities not reported as fraudulent 2017-21	
		N	EUR	N	EUR
T16	(Non-)action	1100	39,948,631	4,531	194,055,424
T12	Beneficiary	266	7,457,930	977	42,004,098
T14	Documentary proof	218	7,649,039	1,000	46,178,754
T12   T16	Beneficiary/(Non-)action	209	6,949,883	483	14,658,420
T11	Request	156	5,271,577	546	27,149,502
T14   T16	Documentary proof/(Non-)action	116	2,879,757	273	8,585,192
T15	Product, species and/or land	115	4,137,562	565	19,550,292
T90	Other	80	5,216,535	238	30,489,578
T19	Ethics & integrity	43	4,591,878	215	11,652,727
T40	Public procurement	26	3,070,190	115	9,519,444
T12   T14	Beneficiary/Documentary proof	14	236,108	50	2,270,547
T13	Accounts & records	7	613,732	69	4,254,284
T12   T14   T16	Beneficiary/Documentary proof/(Non-)action	6	130,410	94	3,310,392
T18	Bankruptcy	5	1,031,844	59	8,568,189
T16   T18	(Non-)action/Bankruptcy	5	601,290	32	4,936,493
T16   T11	(Non-)action/Request	5	125,644	20	683,843
T17	Movement	3	3,337,453	13	3,665,558
T12   T15	Beneficiary/Product, species and/or land	2	87,767	11	330,772
T14   T11	Documentary proof/Request	2	32,454	8	821,582
T11   T15	Request/Product, species and/or land	2	26,451	5	99,817
T15   T17   T16   T14	Prod., species, land/Movement/(Non-)act./Doc. proof	1	501,107	1	501,107
T13   T14	Accounts & records/Documentary proof	1	156,352	9	303,136
T11   T13   T12	Request/Accounts & records/Beneficiary	1	96,890	1	96,890
T16   T11   T15	(Non-)action/Request/Product, species and/or land	1	30,796	1	30,796
T90   T13	Other/Accounts & records	1	28,198	1	28,198
T11   T13	Request/Accounts & records	1	15,733	5	117,384
T19   T16   T11	Ethics & integrity/(Non-)action/Request	1	14,637	1	14,637
T13   T14   T16	Accounts & records/Documentary proof/(Non-)action	1	13,350	12	316,673
T15   T14	Product, species and/or land/Documentary proof	1	12,058	6	139,400
ALL OTHER		0	0	54	13,169,128
Null		11	436,918	26	726,920
<b>TOTAL EU27</b>		<b>2,400</b>	<b>94,702,175</b>	<b>9,421</b>	<b>448,229,177</b>

The category pure '*beneficiary*' was the third most frequent during 2017-2021 and the second in 2021, most often because of the **beneficiary not having the required quality**.

Most of the violations concerning product, species and/or land were due to **over or fictitious declarations**.

There were just a **few reported cases of conflict of interest**. There was one pure case of conflict of interest. In addition, there were eight other cases of conflict of interest in procurement. In 2020, one Member State reported a multi-million irregularity in rural

development expenditure related to conflict of interest, corruption, use of false documents and accounts. Reporting as non-fraudulent would not be expected, but the Member State also communicated that penal proceedings were ongoing. Apart from these cases, infringements related to *'ethics and integrity'* were reported as *'other'*.

### 3.3.2. Fraud and Irregularity Detection Rates (FDR and IDR) by CAP components

Table NR10 below shows the FDR and IDR per type of policy measure.<sup>56</sup>

Type of expenditure	Irregularities detected and reported 2017-2021 / Payments 2017-2021		
	FDR	IDR	Total
Direct payments	0.01%	0.06%	0.08%
Intervention in agricultural markets	0.72%	2.19%	2.91%
Support to agriculture	0.06%	0.19%	0.25%
Rural development	0.14%	0.71%	0.85%
<b>Total CAP</b>	<b>0.08%</b>	<b>0.32%</b>	<b>0.40%</b>

**Detection rates for support to agriculture were much lower than for rural development.** However, one part of support to agriculture, **interventions in agricultural markets (market measures)**, accounted for the highest FDR and IDR. It could be argued that this comparison is biased by a few cases related to market measures (two fraudulent and three non-fraudulent) involving exceptionally high financial amounts (more than EUR 10 million each). However, even excluding these irregularities from the calculation, the FDR and IDR for market measures were the highest, at 0.34% and 1.46%, respectively.

The detection rates for direct payments to farmers were much lower.

### 3.3.3. Market measures – fraudulent and non-fraudulent irregularities

As shown in Table NR10 above, the FDR and IDR of market measures are high. Table NR11 below shows the number and financial amounts of irregularities reported as fraudulent in relation to market measures for the period 2017-2021, while Table NR12 below shows the same data on irregularities that were not reported as fraudulent.

**Fraudulent and non-fraudulent irregularities involving the highest financial amounts are often related to market measures.** From 2017-2021, Poland reported two fraudulent irregularities related to aid to producer groups for preliminary recognition in the *'fruits and vegetables'* sector, accounting for over EUR 20 million each. This type of aid was also subject to three non-fraudulent irregularities, accounting together for over EUR 75 million (all reported by Poland). Another non-fraudulent irregularity involving about EUR 19 million affected a **food programme for deprived persons**.

<sup>56</sup> Some of the irregularities used for these calculations do not refer exclusively to a specific policy measure, because the same case may cover several budget posts referring to different measures. The 'SA/RD' cases are only included in the total CAP FDR/IDR. So the SA and RD FDR/IDR are slightly underestimated. Most of the SA/RD cases had an impact both on DA and RD. No SA/RD case impacted both on MM and RD. There is only one cases that impacted both on MM and DA. These 'mixed' cases are included with their full financial amount in DA or MM. So the DA and MM FDR/IDR are slightly overestimated. See *'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure'*, SWD(2020)160 final (Annex 14) for a methodology to assess the impact on FDR and IDR of these 'mixed' cases. This methodology applied to the period 2017-2021 suggests that FDR and IDR are not significantly sensitive to these 'mixed' cases issues.

Table NR11: Number of irregularities reported as fraudulent in relation to market measures

Market measure	Irregularities reported as fraudulent 2017-21					
	N	EUR	N	EUR	N	EUR
<b>Products of the wine-growing sector</b>					<b>44</b>	<b>6,434,576</b>
Investment	19	2,570,912				
Restructuring and conversion of vineyards	11	2,301,013				
Promotion	6	1,020,880				
Promotion - third countries	3	221,492				
By product distillation	1	61,543				
Green harvesting	1	38,088				
Null	3	220,648				
<b>Fruit and vegetables</b>					<b>27</b>	<b>59,482,706</b>
Aid to producer groups for preliminary recognition			21	58,667,549		
Formation, administrative operation	9	2,122,403				
Investment	6	817,021				
mix	4	25,102,051				
Null	2	30,626,074				
Operational funds for producer organisations			3	595,748		
Other measures for fruit and vegetables			2	33,051		
Compensation to encourage processing of citrus fruits			1	186,358		
<b>Promotion</b>					<b>14</b>	<b>21,843,722</b>
Within the EU	4	3,369,365				
Third countries	5	9,374,125				
Null	5	9,100,231				
<b>School schemes</b>					<b>10</b>	<b>1,574,607</b>
Fruit and vegetables - products	2	108,722				
Fruit and vegetables - publicity	1	127,010				
Supply and distribution of products	2	45,212				
Null	5	1,293,663				
<b>Milk and milk products</b>					<b>8</b>	<b>351,443</b>
<b>Sugar restructuring fund</b>					<b>1</b>	<b>1,765,833</b>
<b>Pigmeat, eggs and poultry, bee-keeping and other</b>					<b>1</b>	<b>135,153</b>
<b>TOTAL EU27</b>					<b>105</b>	<b>91,588,039</b>

The market measure 'School schemes' include also relevant irregularities related to the market measure 'Fruit and vegetables'

The highest number of irregularities reported as fraudulent were related to **national support programmes for the wine sector**. Irregularities affected in particular investment measures and the restructuring and conversion of vineyards. However, fraud hit also promotion measures, including in non-EU markets.

The highest financial amounts were involved in fraudulent irregularities related to '**fruits and vegetables**'. In this domain, the two above-mentioned cases reported by Poland contributed to the high financial amounts related to aid for producer groups for preliminary recognition. One of these cases concerned expenditure for investment, but also the budget for formation and administrative operation was affected. In general, fraud touched both measures concerning formation/administrative operation and measures concerning investment, sometimes together in the same case.

**The financial amounts involved were high also for the market measure specifically related to the promotion of agricultural products.** Fraud affected both promotion in the EU markets and in third countries, with higher irregular financial amounts involved in the latter.

**Fraud affected also the school schemes and market measures related to milk and milk products.**

**For irregularities not reported as fraudulent, the category 'products of the wine-growing sector' was the most frequently reported.** Most of the times, non-fraudulent irregularities concerned the restructuring and conversion of vineyards. Also irregularities related to investments were frequently reported. When promotion measures were concerned, the majority of cases were related to promotion in third countries.

**Promotion of agricultural products was affected by non-fraudulent irregularities also when not related to the wine sector.** In this case, the majority of irregularities concerned promotion within the EU.

Table NR12: Number of irregularities not reported as fraudulent in relation to market measures

Market measure	Irregularities reported as fraudulent 2017-21					
	N	EUR	N	EUR	N	EUR
<b>Products of the wine-growing sector</b>					<b>990</b>	<b>55,545,727</b>
<i>Restructuring and conversion of vineyards</i>	558	24,630,027				
<i>Investment</i>	198	14,845,165				
<i>Promotion on third country markets</i>	102	6,433,925				
<i>Promotion</i>	69	4,574,397				
<i>Promotion EU</i>	4	109,744				
<i>Other or null</i>	59	4,952,468				
<b>Fruit and vegetables</b>					<b>349</b>	<b>181,688,598</b>
Aid to producer groups for preliminary recognition			99	161,843,281		
<i>Formation, administrative operation</i>	23	2,101,271				
<i>Investment</i>	45	41,873,937				
<i>mix</i>	26	116,719,084				
<i>Not specified</i>	5	1,148,989				
Operational funds for producers organisations			232	18,899,009		
Mix			1	72,464		
Other			17	873,844		
<b>Other plant products and measures</b>					<b>68</b>	<b>3,881,385</b>
<i>POSEI - import and supply of live animals</i>	7	203,115				
<i>POSEI - Supply arrangements</i>	25	1,455,166				
<i>POSEI - Technical assistance</i>	1	24,250				
<i>POSEI - Other measures</i>	35	2,198,854				
<b>Beef and veal</b>					<b>53</b>	<b>817,599</b>
<b>Promotion</b>					<b>38</b>	<b>1,187,662</b>
<i>Promotion EU</i>	29	851,886				
<i>Promotion third countries</i>	7	247,340				
<i>Not specified</i>	2	88,436				
<b>School schemes</b>					<b>54</b>	<b>2,771,331</b>
Fruit and vegetables			39	2,092,526		
Milk			15	678,804		
<b>Pigmeat, eggs and poultry, bee-keeping and other animal products</b>					<b>14</b>	<b>321,469</b>
<b>Olive oil - quality improvement measures</b>					<b>9</b>	<b>276,339</b>
<b>Sugar restructuring fund</b>					<b>8</b>	<b>2,504,255</b>
<b>Milk and milk products</b>					<b>8</b>	<b>239,206</b>
<b>Food programmes</b>					<b>6</b>	<b>31,168,386</b>
<b>POSEI and smaller Aegean islands (excluding direct)</b>					<b>4</b>	<b>177,372</b>
<b>TOTAL EU27</b>					<b>1,601</b>	<b>280,579,327</b>

The market measure 'School schemes' include also relevant irregularities related to the market measures 'Fruit and vegetables' and 'Milk and milk products'

POSEI stands for Programmes of Options Specifically Relating to Remoteness and Insularity

**The highest financial amounts were involved in non-fraudulent irregularities related to 'fruit and vegetables'.** In particular, this was due to irregularities related to aid to producer groups for preliminary recognition. They concerned both investments and formation/administrative operation, sometimes together in the same irregularity. Even more frequent than irregularities related to aid for preliminary recognition were irregularities concerning operational funds for producers organisations.

**Programmes of Option Specifically Relating to Remoteness and Insularity (POSEI) were often affected by non-fraudulent irregularities.** Most of the times, this was linked to supply arrangement or other measures.

**The school schemes were also not free from non-fraudulent irregularities,** in particular concerning the supply and distribution of the products. The majority of cases were related to fruit and vegetables.

**The category 'Food programmes' was impacted by few irregularities, but high financial amounts.** As mentioned, one single non-fraudulent irregularity accounted for EUR 19 million.

### 3.3.4. Risk analysis and spontaneous reporting

Detection capability is a key feature of the anti-fraud cycle, which contributes to the effectiveness and efficiency of the system for the protection of the EU budget. In the 2017 PIF Report, to boost the capability to detect irregularities, **the Commission recommended to the Member States to improve risk analysis and the use of spontaneous reporting** of potential irregularities and strengthening the protection of whistle blowers that are also a crucial source for investigative journalism.<sup>57</sup> With a focus on checks that led to discovering reported irregularities, Tables NR13-NR18 below provide information on the number of checks that were carried out due to reasons that can be linked to these recommendations.<sup>58</sup>

**So far, there has been little improvement on the ground** (see Tables NR13-NR18 below). It may take time to evolve effectively from reactive to proactive detections based on risk analyses. It should also be considered that non-fraudulent irregularities that are detected and corrected at the national level before including the expenditure in a statement submitted to the Commission for reimbursement do not have to be reported. Therefore, if risk analyses have a higher impact in terms of ‘early’ detection of these irregularities, it would not be captured by Tables NR13-NR18 below. By contrast, this exception does not apply to fraudulent irregularities, which should always be reported, even when detected before expenditure is submitted to the Commission.

#### 3.3.4.1. Irregularities in relation to rural development

**With reference to rural development, risk analysis has still a marginal contribution to detecting fraud.** In addition, during the past five years, just 5% of the fraudulent irregularities were detected following tips (e.g. from whistle blowers) or information published in the media (see Table NR13 below).

Table NR13 - EU27

Reason for performing control	Irregularities reported as fraudulent - Rural development		
	2017-2021		
	N.	%	EUR
Risk analysis	3	0.5	170,898
Comparison of data	3	0.5	867,386
Probability checks	0	0.0	0
Statistical analysis	0	0.0	0
Tip from informant, whistle-blower etc.	28	4.9	2,296,235
Information published in the media	2	0.3	88,228
<b>Total (1)</b>	<b>576</b>		<b>86,750,161</b>

(1) Total number of irregularities classified as RD (rural development) and reported as fraudulent

Table NR14 below focuses on irregularities not reported as fraudulent in rural development. **Risk analysis contribute to a higher share of detections than for fraudulent irregularities, but this share is still very low.** Also the share of non-fraudulent irregularities detected following tips or information published in the media is negligible.

<sup>57</sup> Section 9.2 of ‘29th Annual Report on the Protection of the EU’s financial interests – Fight against fraud – 2017’, COM(2018)553 final and ‘Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2018)386 final.

<sup>58</sup> Tables NR13-NR18 include reasons that may indicate the use of some forms of risk analysis (comparison of data, probability checks and statistical analysis).

Table NR14 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Rural development		
	2017-2021		
	N.	%	EUR
Risk analysis	178	1.9	8,101,677
Comparison of data	94	1.0	3,160,916
Probability checks	69	0.7	2,736,613
Statistical analysis	2	0.0	21,017
Tip from informant, whistle-blower etc.	129	1.4	9,847,855
Information published in the media	15	0.2	7,207,253
Total (1)	9,421		448,229,177

(1) Total number of irregularities classified as RD (rural development) and not reported as fraudulent

### 3.3.4.2. Irregularities in relation to market measures

**In relation to market measures, risk analysis has a stronger role in detecting fraudulent irregularities than in other CAP sectors.** This is influenced the overall low number of cases. However, about 11% of fraudulent irregularities were detected because of risk analysis. In addition, the categories 'scrutiny 4045', 'scrutiny 485' and 'scrutiny 1306' refer to Regulation No 4045/1989, Regulation No 485/2008 and Regulation No 1306/2013, respectively. These deal with the scrutiny of commercial documents of those entities receiving payments from the Guarantee section of the EAGGF (Reg. No 4045/1989) or from the EAGF (Reg. No 485/2008 and Reg. No 1306/2013)<sup>59</sup>. These regulations provide for checks based on the assessment of the risks. Regulation No 4045/1989 already required the Member States to consider risk factors and concentrate on sectors or undertakings where the risk of fraud is high. Taken together, these scrutinies accounted for more than 25% of detections.

About 7% of the fraudulent irregularities were detected following tips, which is similar to other CAP sectors. The contribution of information published in the media was nil.

Table NR15 - EU27

Reason for performing control	Irregularities reported as fraudulent - Market measures		
	2017-2021		
	N.	%	EUR
Risk analysis	12	11.4	1,439,373
Comparison of data	1	1.0	17,303
Probability checks	0	0.0	0
Statistical analysis	0	0.0	0
Scrutiny 4045	8	7.6	2,506,861
Scrutiny 485	18	17.1	1,902,026
Scrutiny 1306	2	1.9	120,773
Tip from informant, w whistle-blower etc.	7	6.7	34,495,304
Information published in the media	0	0.0	0
Total (1)	105		91,588,039

(1) Total number of irregularities classified as MM (market measures) and reported as fraudulent

**Also for non-fraudulent irregularities, risk analysis seem to play a more important role in detection than in other CAP sectors.** Risk analysis and risk-based scrutiny accounted for about 25% of cases. The share of irregularities detected following tips or information published in the media was negligible, as in other CAP sectors.

<sup>59</sup> Reg. 485/2008 repealed Reg. 4045/1989 and Reg. 1306/2013 repealed Reg. 485/2008.



Table NR16 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Market measures		
	2017-2021		
	N.	%	EUR
Risk analysis	47	2.9	2,350,914
Comparison of data	4	0.2	60,857
Probability checks	15	0.9	403,453
Statistical analysis	0	0.0	0
Scrutiny 4045	199	12.4	14,650,091
Scrutiny 485	98	6.1	10,053,954
Scrutiny 1306	70	4.4	2,938,436
Tip from informant, w whistle-blow er etc.	18	1.1	69,768,106
Information published in the media	2	0.1	43,958
Total (1)	1,601		280,579,327

(1) Total number of irregularities classified as MM (market measures) and not reported as fraudulent

### 3.3.4.3. Irregularities in relation to direct payments

**With reference to direct payments to farmers, risk analysis has still a marginal contribution in detecting fraud and non-fraudulent irregularities.** In addition, during the past five years, just 2-3% of the fraudulent and non-fraudulent irregularities were detected following tips (e.g. from whistle blowers) (see Tables NR17 and NR18 below) and never following information from media.

Table NR17 - EU27

Reason for performing control	Irregularities reported as fraudulent - Direct payments		
	2017-2021		
	N.	%	EUR
Risk analysis	3	0.6	360,039
Comparison of data	0	0.0	0
Probability checks	0	0.0	0
Statistical analysis	0	0.0	0
Scrutiny 4045	0	0.0	0
Scrutiny 485	0	0.0	0
Tip from informant, whistle-blower etc.	12	2.2	549,252
Information published in the media	0	0.0	0
Total (1)	545		27,968,702

(1) Total number of irregularities classified as DA (direct payments) and reported as fraudulent

Table NR18 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Direct payments		
	2017-2021		
	N.	%	EUR
Risk analysis	33	1.0	768,345
Comparison of data	79	2.5	1,674,359
Probability checks	13	0.4	286,250
Statistical analysis	0	0.0	0
Scrutiny 4045	2	0.1	1,085,326
Scrutiny 485	0	0.0	0
Tip from informant, whistle-blower etc.	103	3.2	2,554,890
Information published in the media	0	0.0	0
Total (1)	3,213		120,933,285

(1) Total number of irregularities classified as DA (direct payments) and not reported as fraudulent

### 3.4. Anti-fraud work carried out by the Member States

Previous sections have examined the trend and main features and characteristics of the irregularities reported as fraudulent.

This section focuses on some aspects linked to the anti-fraud work carried out and results obtained by the Member States in particular. It analyses four aspects:

- (1) Duration of irregularities (fraudulent and non-fraudulent). No analysis by Member State is presented in this section.
- (2) The number of irregularities reported as fraudulent by each Member State (in 2021 and over the past five years).
- (3) the FDR (the ratio between the amounts involved in cases reported as fraudulent and the payments made over the same period) and the IDR (the ratio between the amounts involved in cases not reported as fraudulent and the payments made over same period) over the past five years<sup>60</sup>;
- (4) the follow-up to suspected fraud.

#### 3.4.1. *Duration of irregularities*

The Member States are requested to indicate the date or period when the irregularity was committed. Of the 15 549 irregularities (fraudulent and non-fraudulent) reported by Member States in 2017-2021 in relation to the CAP, 9 057 (58% of the total) involved irregularities that were protracted over a span of time. For the 1 233 irregularities reported as fraudulent, this rises to 76%. About 41% of the irregularities consisted of a single act identifiable on a precise date (about and 24% of the fraudulent irregularities)<sup>61</sup>. The average duration of the irregularities that were protracted over time was 26 months (two years and two months). For the irregularities reported as fraudulent, the average was one month less: 25 months.

#### 3.4.2. *Detection of irregularities reported as fraudulent by Member State*

##### 3.4.2.1. *Reported over the period 2017-2021*

Table NR19 below gives an overview of the irregularities reported as fraudulent by the Member States over the period 2017-2021. It also shows the related amounts, overall payments under the agricultural policy<sup>62</sup> and the FDR.

Belgium, Cyprus and Malta have notified no irregularities as fraudulent. 15 other Member States reported fewer than 30 potentially fraudulent irregularities; six Member States reported between 30 and 60; and three Member States reported over 60.

The FDRs exceeded 0.5% in Estonia and 0.30% in Romania and Bulgaria. Romania was the Member State that accounted for the highest number of irregularities, and Poland reported the highest financial amounts involved.

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<sup>60</sup> The Member States have an obligation to report only irregularities for which payment and certification to the Commission was made. As a consequence, the IDR focuses on the 'repression' side of the anti-fraud cycle and does not include the results of prevention. This does not apply to the FDR, as fraudulent cases must be reported regardless.

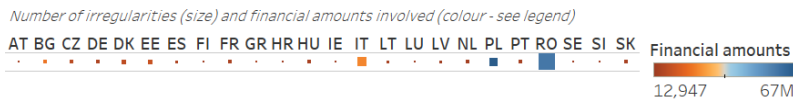
<sup>61</sup> For a few irregularities, information was not enough to allocate them in one of the two categories (start date and final date not available, only final date available). The irregularities where only the start date was available have been considered as consisting of a single act identifiable on a precise date.

<sup>62</sup> Payments are taken from the Annual Activity Reports (AAR) of the Commission's Directorate-General for Agriculture and Rural Development from 2017 to 2021. In particular, reference is made to the tables on pages 74-76 of the AAR 2017, pages 90-92 of the AAR 2018, pages 74-76 of the AAR 2019, pages 52-54 of the AAR 2020, pages 57-59 of the AAR 2021.

Table NR19: Irregularities reported as fraudulent by Member State in 2017-2021

	Irregularities reported as fraudulent 2017-21		Payments in 2017-2021	FDR 2017-2021
	N	EUR	N	%
AT	8	1,507,590	6,259,558,498	0.02%
BG	31	17,742,337	5,468,391,073	0.32%
CZ	24	5,763,883	6,069,455,552	0.09%
DE	32	3,359,651	30,596,563,244	0.01%
DK	43	6,380,386	4,672,344,483	0.14%
EE	41	8,446,289	1,254,889,948	0.67%
ES	18	3,452,727	33,427,576,196	0.01%
FI	1	41,297	4,409,356,279	0.00%
FR	33	2,501,503	47,445,521,326	0.01%
GR	4	2,580,084	13,193,746,475	0.02%
HR	5	387,415	2,835,188,720	0.01%
HU	28	2,058,941	8,790,892,294	0.02%
IE	2	15,242	7,679,738,058	0.00%
IT	163	20,715,860	27,835,391,409	0.07%
LT	16	2,024,002	3,437,231,976	0.06%
LU	1	15,857	239,186,335	0.01%
LV	13	611,231	2,122,550,845	0.03%
NL	31	1,260,551	4,207,456,908	0.03%
PL	136	66,752,269	22,337,292,270	0.30%
PT	29	1,701,449	6,489,500,971	0.03%
RO	547	58,548,488	15,457,693,637	0.38%
SE	1	12,947	4,664,164,210	0.00%
SI	5	239,743	1,264,973,172	0.02%
SK	21	2,182,775	3,115,274,548	0.07%
<b>TOTAL EU27</b>	<b>1,233</b>	<b>208,302,517</b>	<b>266,932,108,518</b>	<b>0.08%</b>
UK <sup>(1)</sup>	26	710,311		

(1) As of 1 February 2020, the UK is no longer part of the EU



### 3.4.2.2. Reported in 2021

Table NR20 below gives an overview of the irregularities reported as fraudulent in 2021, broken down by Member State. It also shows the related amounts, overall payments for the common agricultural policy and the FDR.

Nine Member States reported no irregularities as fraudulent. Most Member States reported fewer than 30 fraudulent irregularities; only Romania reported over 30 fraudulent irregularities.

The highest FDR was recorded in Estonia. Romania reported the highest number of irregularities and related financial amounts.

Table NR20: Irregularities reported as fraudulent by Member State in 2021

	Irregularities reported as fraudulent in 2021		Payments in 2021		FDR 2021
	N	EUR	N	EUR	%
AT	5	1,183,097	1,288,012,046		0.09%
BG	2	50,231	1,222,168,385		0.00%
CZ	1	11,588	1,226,526,190		0.00%
DE	3	571,373	6,094,225,433		0.01%
DK	27	3,181,542	924,954,111		0.34%
EE	17	3,933,496	272,860,991		1.44%
ES	4	856,637	6,817,077,972		0.01%
FR	6	67,234	9,266,229,654		0.00%
GR	1	2,543,017	2,677,180,671		0.09%
HU	15	349,319	1,887,106,101		0.02%
IT	18	3,949,522	5,710,441,416		0.07%
LT	4	99,100	703,641,641		0.01%
LV	4	182,290	421,219,146		0.04%
NL	7	28,819	866,221,450		0.00%
PL	19	5,272,423	4,770,282,340		0.11%
RO	112	7,612,129	3,162,138,460		0.24%
SI	1	13,350	258,422,682		0.01%
SK	4	100,640	535,865,485		0.02%
<b>TOTAL EU27</b>	<b>250</b>	<b>30,005,807</b>	<b>54,388,576,845</b>		<b>0.06%</b>
UK <sup>(1)</sup>	5	87,900			

(1) As of 1 February 2020, the UK is no longer part of the EU

Number of irregularities (size) and financial amounts involved (colour - see legend)



### 3.4.3. Fraud and Irregularity Detection by sector and Member State

#### 3.4.3.1. Rural development

Table NR21 and Map NR1 below provide an overview of the irregularities reported as fraudulent by the Member States over the period 2017-2021 for rural development expenditure. It also shows the total payments made for rural development and the FDR. As mentioned, the irregularities refer exclusively to the rural development component.

Table NR21: Rural development: number of irregularities reported as fraudulent 2017-2021, amounts involved and fraud detection rate by Member State

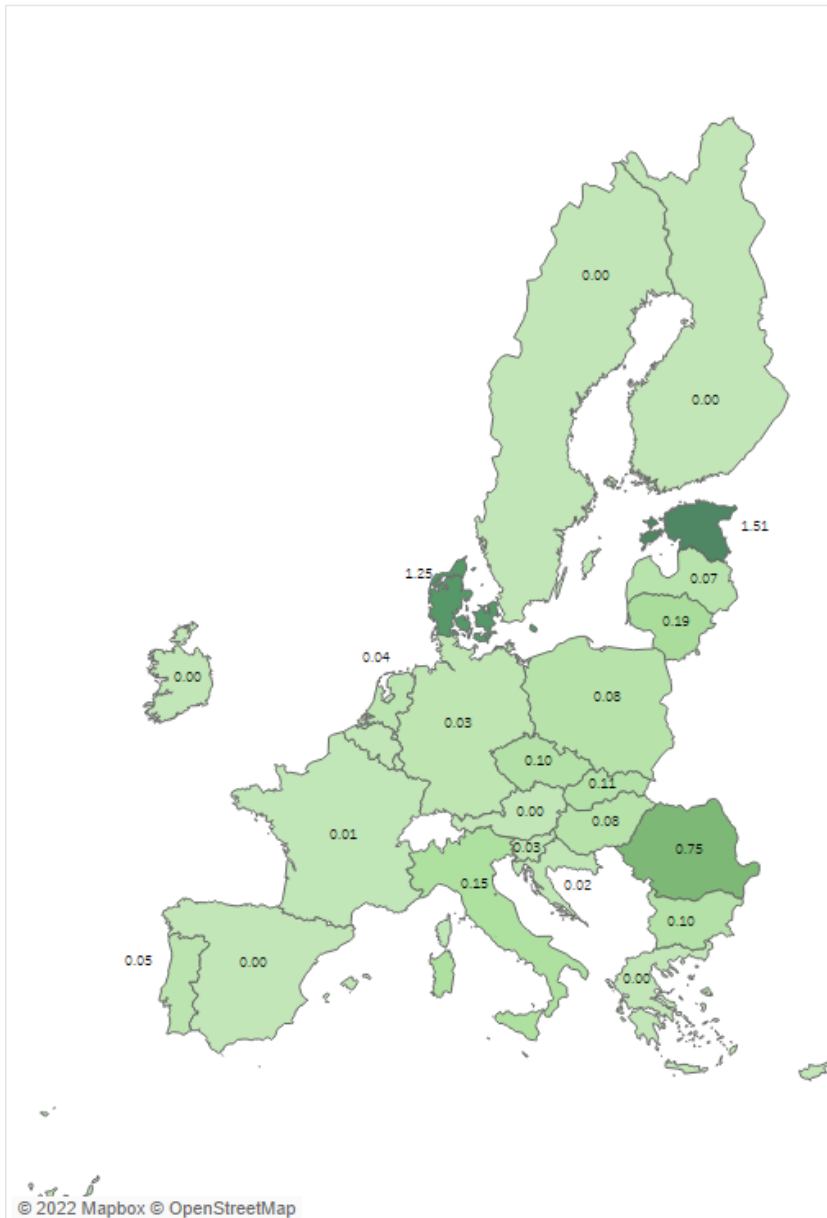
Member State	Irregularities reported as fraudulent 2017-21		Payments 2017-2021		FDR 2017-2021
	N	EUR	N	EUR	%
AT	1	64,390	2,683,298,655		0.00
BG	18	1,386,613	1,368,159,743		0.10
CZ	22	1,810,187	1,739,063,948		0.10
DE	19	1,653,704	6,052,778,486		0.03
DK	40	6,277,050	503,177,212		1.25
EE	41	8,446,289	559,585,033		1.51
ES	1	120,000	5,138,906,321		0.00
FI	1	41,297	1,755,306,059		0.00
FR	11	835,076	9,372,194,066		0.01
GR	2	26,628	2,868,329,900		0.00
HR	2	229,417	1,397,341,411		0.02
HU	25	1,794,341	2,235,950,699		0.08
IE	1	2,750	1,575,791,223		0.00
IT	31	9,247,689	6,282,135,201		0.15
LT	15	1,981,703	1,032,795,225		0.19
LV	13	611,231	835,699,166		0.07
NL	6	229,604	519,398,239		0.04
PL	59	4,059,883	5,235,620,979		0.08
PT	21	1,166,781	2,530,746,962		0.05
RO	234	45,636,158	6,084,588,938		0.75
SE	1	12,947	1,172,064,560		0.00
SI	3	145,337	556,138,153		0.03
SK	9	971,087	910,088,660		0.11
<b>TOTAL EU27</b>	<b>576</b>	<b>86,750,162</b>	<b>62,993,867,597</b>		<b>0.14</b>
UK <sup>(1)</sup>	18	401,016			

(1) As of 1 February 2020, the UK is no longer part of the EU



Estonia, Denmark and Romania recorded the highest FDR. The FDR was higher than the EU average also in Lithuania and Italy. 23 Member States reported fraudulent cases concerning rural development spending over the period 2017-2021. Romania and Poland reported the highest number of cases, and Romania reported the highest financial amounts involved.

Map NR1: Fraud Detection Rate by Member State (EU27)  
Rural development 2017-2021



*In this map, the FDR '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no FDR is mentioned in the map for the relevant Member State. See Table NR21. UK is not included.*

Table NR22 and Map NR2 below provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2017-2021 concerning rural development expenditure. Table NR22 below also shows the total payments for rural development and the IDR.

Table NR22: Rural development: number of irregularities not reported as fraudulent 2017-2021, amounts involved and irregularity detection rate by Member State

Member State	Irregularities not reported as fraudulent in 2017-21		Payments in 2017-21	IDR 2017-21	
	N	EUR	N	%	
AT	23	1,059,797	2,683,298,655	0.04	
BE	58	1,465,155	356,883,939	0.41	
BG	906	58,374,463	1,368,159,743	4.27	
CZ	201	5,198,216	1,739,063,948	0.30	
DE	193	9,788,028	6,052,778,486	0.16	
DK	19	466,862	503,177,212	0.09	
EE	161	6,734,636	559,585,033	1.20	
ES	879	31,362,637	5,138,906,321	0.61	
FI	46	1,276,119	1,755,306,059	0.07	
FR	517	10,072,272	9,372,194,066	0.11	
GR	671	9,941,870	2,868,329,900	0.35	
HR	137	4,295,090	1,397,341,411	0.31	
HU	596	21,080,344	2,235,950,699	0.94	
IE	21	904,796	1,575,791,223	0.06	
IT	541	60,908,548	6,282,135,201	0.97	
LT	389	14,418,559	1,032,795,225	1.40	
LU	1	39,266	69,462,611	0.06	
LV	69	2,119,497	835,699,166	0.25	
MT	17	1,458,865	64,010,244	2.28	
NL	45	1,491,851	519,398,239	0.29	
PL	885	27,855,547	5,235,620,979	0.53	
PT	1,469	70,942,820	2,530,746,962	2.80	
RO	1,384	94,521,248	6,084,588,938	1.55	
SE	19	1,136,825	1,172,064,560	0.10	
SI	56	1,492,274	556,138,153	0.27	
SK	118	9,823,592	910,088,660	1.08	
<b>TOTAL EU27</b>	<b>9,421</b>	<b>448,229,177</b>	<b>62,993,867,597</b>	<b>0.71</b>	
UK <sup>(1)</sup>	365	7,796,262			

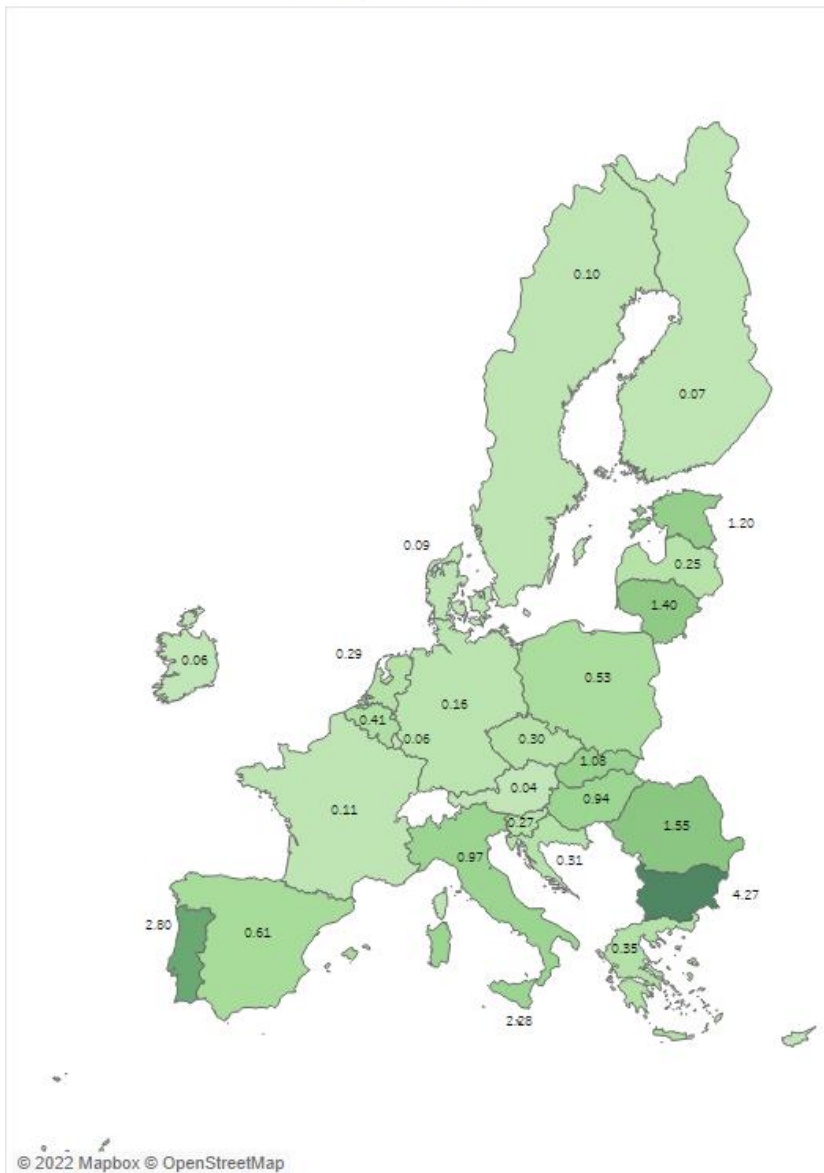
(1) As of 1 February 2020, the UK is no longer part of the EU

Number of irregularities (size) and financial amounts involved (colour - see legend)



Bulgaria, Portugal and Malta recorded the highest IDR. The IDR was higher than the EU average also in Romania, Lithuania, Estonia, Slovakia, Italy and Hungary. Portugal and Romania reported the highest number of cases, and Romania, Portugal, Italy and Bulgaria reported the highest financial amounts involved.

Map NR2: Irregularity Detection Rate by Member State (EU27)  
Rural development 2017-2021



If no relevant irregularities were reported, no IDR is mentioned in the map for the relevant Member State. See Table NR22. UK is not included.

Tables NR21 and NR22 above indicate that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (Romania and Poland) reported 51% of all fraudulent irregularities related to rural development (57% in terms of the financial amounts involved), while they received about 18% of payments. For non-fraudulent irregularities, the top two Member States (Romania and Portugal) reported 30% of cases and 37% of the financial amounts involved, but received about 14% of payments.

The concentration of detections was analysed in detail in the 2018 PIF Report for the period 2014-2018.<sup>63</sup> The analysis suggests that the concentration of detections went beyond what could be expected from the concentration of payments related to rural development among Member States. This could be due to many different factors, including different underlying

<sup>63</sup> Section 3.4.3.1 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final.



levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities were reported. This difference in concentration between detections and payments was less pronounced for non-fraudulent irregularities, which could be taken as an indication of more uniform approaches to management and administrative checks, although data on individual Member States highlighted significant discrepancies. The concentration of detections was instead more accentuated for fraudulent irregularities, suggesting that different approaches to criminal investigation and prosecution could be an additional and significant factor explaining the different levels of detection among Member States.

### 3.4.3.2. Market measures

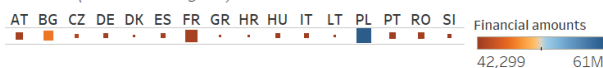
Table NR23 and Map NR3 below provide an overview of the irregularities reported as fraudulent by the Member States over the period 2017-2021 for market measures expenditure. The table also gives the total payments for market measures and the FDR.<sup>64</sup>

Table NR23: Market measures: number of irregularities reported as fraudulent 2017-2021, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2017-21		Payments 2017-2021	FDR 2017-2021	
	N	EUR	N	%	
AT	7	1,443,201	126,262,317	1.14	
BG	13	16,355,724	131,949,706	12.40	
CZ	2	3,953,696	96,233,005	4.11	
DE	3	855,194	704,456,738	0.12	
DK	1	95,217	62,573,565	0.15	
ES	3	1,267,379	2,860,031,728	0.04	
FR	22	1,666,427	2,859,561,595	0.06	
GR	1	2,543,017	301,359,367	0.84	
HR	1	135,153	54,500,809	0.25	
HU	3	264,600	206,868,526	0.13	
IT	3	281,581	3,281,110,012	0.01	
LT	1	42,299	45,172,372	0.09	
PL	31	60,910,910	273,009,660	22.31	
PT	6	517,298	530,551,572	0.10	
RO	6	1,161,938	248,715,879	0.47	
SI	2	94,406	37,110,972	0.25	
<b>TOTAL EU27</b>	<b>105</b>	<b>91,588,040</b>	<b>12,788,727,810</b>	<b>0.72</b>	
UK <sup>(1)</sup>	0	0			

(1) As of 1 February 2020, the UK is no longer part of the EU

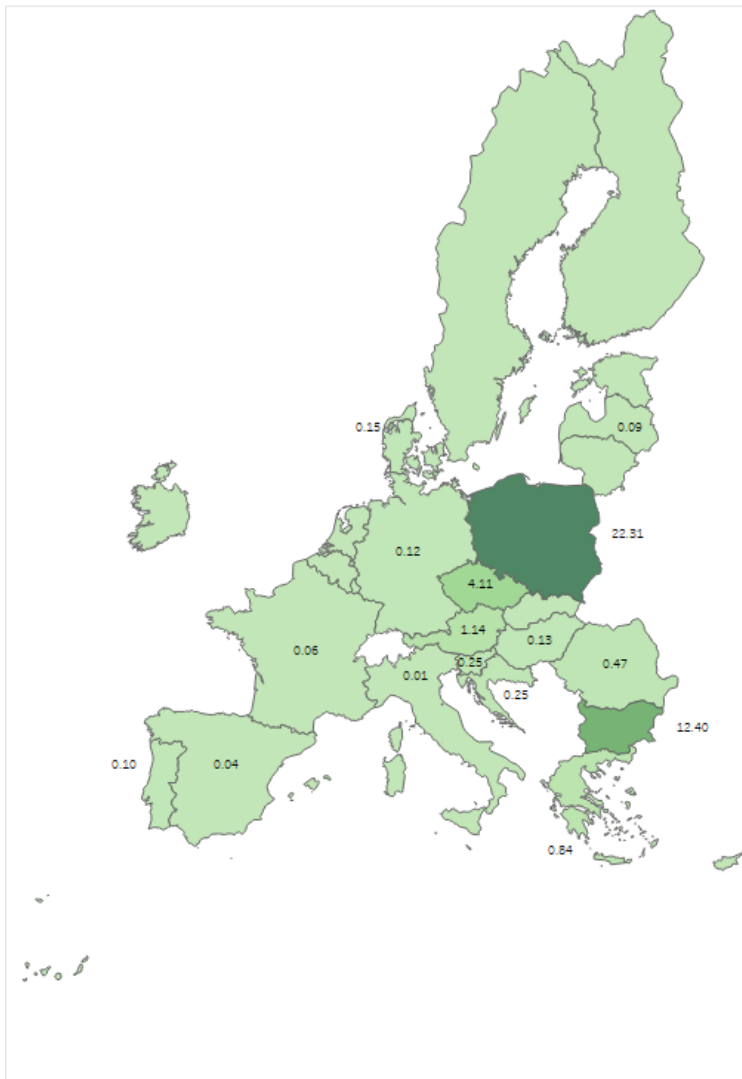
Number of irregularities (size) and financial amounts involved (colour - see legend)



FDR was the highest in Poland and Bulgaria, but significantly higher than the EU average also in Czechia. Sixteen Member States reported fraudulent cases in this area. Poland and France reported the highest number of cases and Poland and Bulgaria reported the highest financial amounts involved.

<sup>64</sup> Some of these irregularities do not refer exclusively to market measures, but the reporting authority may have also included budget lines/posts referring to other measures (i.e. direct aid, rural development or other payments related to budget years before 2006). The full financial amounts of these irregularities are included in these tables.

Map NR3: Fraud Detection Rate by Member State (EU27)  
Market measures 2017-2021



© 2022 Mapbox © OpenStreetMap

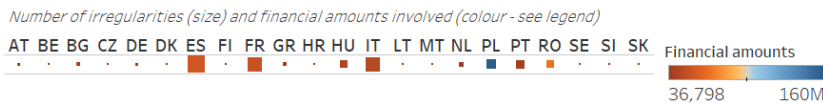
If no relevant irregularities were reported, no FDR is mentioned in the map for the relevant Member State. See Table NR23. UK is not included in the map.

Table NR24 and Map NR4 below provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2017-2021 in relation to market measures. It also gives the total payments for expenditure under market measures and the IDR.

Table NR24: Market measures: number of irregularities not reported as fraudulent 2017-2021, amounts involved and irregularity detection rate by Member State

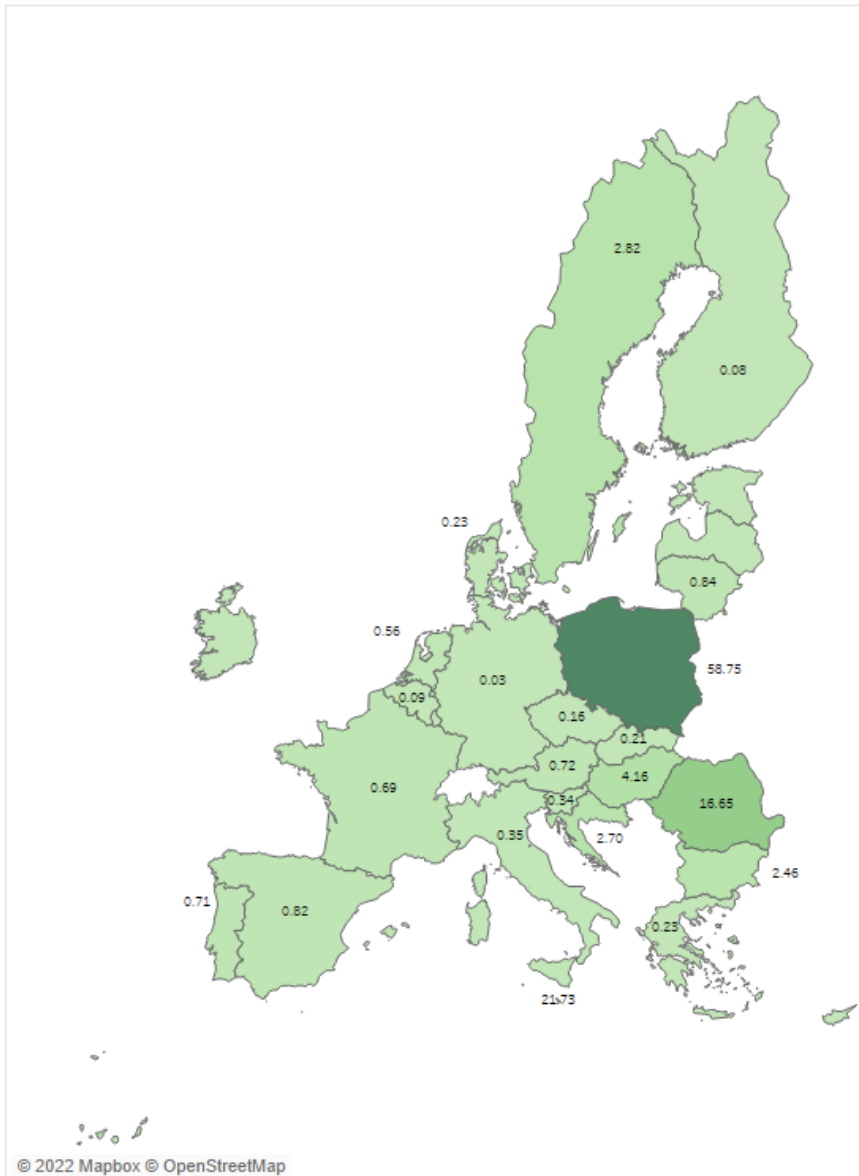
Member State	Irregularities not reported as fraudulent in 2017-21		Payments in 2017-21		IDR 2017-21
	N	EUR	N	%	
AT	11	905,166	126,262,317	0.72	
BE	7	321,725	360,618,304	0.09	
BG	19	3,248,585	131,949,706	2.46	
CZ	5	151,252	96,233,005	0.16	
DE	12	219,793	704,456,738	0.03	
DK	2	145,365	62,573,565	0.23	
ES	432	23,509,325	2,860,031,728	0.82	
FI	2	36,798	43,426,249	0.08	
FR	319	19,827,338	2,859,561,595	0.69	
GR	17	693,697	301,359,367	0.23	
HR	6	1,471,281	54,500,809	2.70	
HU	89	8,614,275	206,868,526	4.16	
IT	289	11,590,326	3,281,110,012	0.35	
LT	7	380,773	45,172,372	0.84	
MT	3	372,454	1,714,053	21.73	
NL	30	1,311,916	236,016,568	0.56	
PL	143	160,386,482	273,009,660	58.75	
PT	112	3,740,780	530,551,572	0.71	
RO	87	41,400,308	248,715,879	16.65	
SE	1	2,006,590	71,041,875	2.82	
SI	5	126,326	37,110,972	0.34	
SK	3	118,772	55,844,885	0.21	
<b>TOTAL EU27</b>	<b>1,601</b>	<b>280,579,327</b>	<b>12,788,727,810</b>	<b>2.19</b>	
UK <sup>(1)</sup>	6	607,058			

(1) As of 1 February 2020, the UK is no longer part of the EU



The IDR exceeded 58% in Poland, 21% in Malta and 16% in Romania. It was higher than the EU average also in Hungary, Sweden, Croatia and Bulgaria. The huge IDR in Poland is due to three cases, accounting together EUR 75 million, which refer to multiple budget years. The IDR of Malta is due to the low overall expenditure in this CAP sector. The IDR of Romania is influenced by one irregularity accounting for EUR 20 million. 22 Member States reported non-fraudulent cases concerning market measures. Spain, France and Italy reported the highest number of cases and Poland, Romania, Spain and France reported the highest financial amounts involved.

Map NR4: Irregularity Detection Rate by Member State (EU27)  
Market measures 2017-2021



If no relevant irregularities were reported, no IDR is mentioned in the map for the relevant Member State. See Table NR24. UK is not included in the map.

Tables NR23 and NR24 above indicate that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (France and Poland) reported about 50% of all fraudulent irregularities (68% of irregular financial amounts) related to market measures, while they received about 24% of payments. For non-fraudulent irregularities, the top two Member States in terms of number of detections (Spain and France) did not overlap with the highest ranking Member States in terms of the financial amounts involved (Poland and Romania). Poland and Romania reported about 72% of the irregular financial amounts and received about 4% of payments.

As mentioned in Section 3.4.3.1, the concentration of detections was analysed in detail in the 2018 PIF Report, covering the period 2014-2018.<sup>65</sup> The analysis suggests that the level of concentration of detections went beyond what could be expected given the concentration of

<sup>65</sup> Section 3.4.3.2 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final.

payments related to market measures among Member States, especially for fraudulent irregularities. This suggests the need for more uniform practice in criminal investigation and prosecution to protect the EU budget.

### 3.4.3.3. Direct payments to farmers

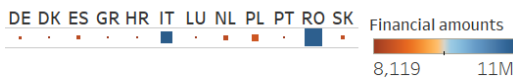
Table NR25 and Map NR5 below provide an overview of the irregularities reported as fraudulent by the Member States over the period 2017-2021 in relation to direct payments to farmers. It also shows the total payments for direct payments and the FDR.<sup>66</sup>

Table NR25: Direct payments: number of irregularities reported as fraudulent 2017-2021, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2017-21		Payments 2017-2021	FDR 2017-2021
	N	EUR	N	%
DE	10	850,752	23,839,328,020	0.00
DK	2	8,119	4,106,593,706	0.00
ES	13	966,992	25,428,638,147	0.00
GR	1	10,440	10,024,057,208	0.00
HR	2	22,845	1,383,346,500	0.00
IT	129	11,186,589	18,272,146,196	0.06
LU	1	15,857	166,369,566	0.01
NL	25	1,030,946	3,452,042,101	0.03
PL	43	1,636,311	16,828,661,631	0.01
PT	2	17,370	3,428,202,437	0.00
RO	305	11,010,792	9,124,388,820	0.12
SK	12	1,211,688	2,149,341,003	0.06
<b>TOTAL EU27</b>	<b>545</b>	<b>27,968,701</b>	<b>191,149,513,111</b>	<b>0.01</b>
UK <sup>(1)</sup>	8	309,295		

(1) As of 1 February 2020, the UK is no longer part of the EU

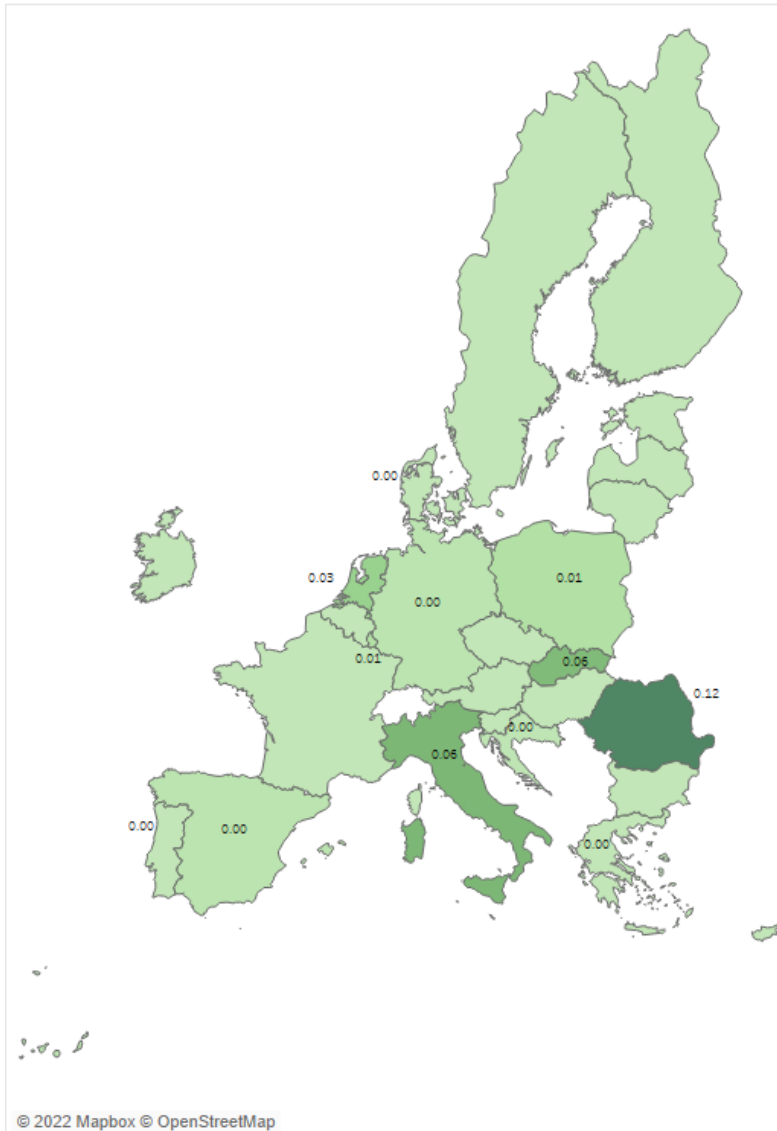
Number of irregularities (size) and financial amounts involved (colour - see legend)



Romania recorded the highest FDR, at 0.12%. Twelve Member States have reported fraudulent cases in this area. Romania and Italy reported the highest number of cases and financial amounts involved.

<sup>66</sup> Some of these irregularities do not refer exclusively to direct aid, but the reporting authority may have also included budget lines/posts referring to other measures (i.e. market measures, rural development or other payments related to budget years before 2006). The full financial amounts of these irregularities are included in these tables.

Map NR5: Fraud Detection Rate by Member State (EU27)  
Direct aid to farmers 2017-2021



*In this map, FDR '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no FDR is mentioned in the map for the relevant Member State. See Table NR25. UK is not included in the map.*

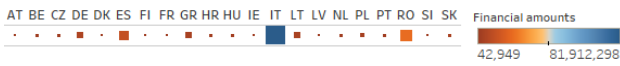
Table NR26 and Map NR6 below provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2017-2021 in relation to direct payments. It also shows the total payments for direct aid and the IDR.

Table NR26: Direct payments: number of irregularities not reported as fraudulent 2017-2021, amounts involved and irregularity detection rate by Member State

Member State	Irregularities not reported as fraudulent in 2017-21		Payments in 2017-21	IDR 2017-21
	N	EUR	N	%
AT	7	88,196	3,449,997,526	0.00
BE	32	625,610	2,479,028,825	0.03
BG	13	237,972	3,968,281,624	0.01
CZ	32	568,698	4,234,158,599	0.01
DE	150	3,801,931	23,839,328,020	0.02
DK	21	470,765	4,106,593,706	0.01
ES	378	9,324,090	25,428,638,147	0.04
FI	10	313,232	2,610,623,971	0.01
FR	8	230,726	35,213,765,665	0.00
GR	490	8,258,999	10,024,057,208	0.08
HR	61	1,457,767	1,383,346,500	0.11
HU	24	774,751	6,348,073,069	0.01
IT	1,252	70,169,909	18,272,146,196	0.38
LT	133	2,760,677	2,359,264,379	0.12
LV	7	155,999	1,256,471,066	0.01
NL	36	511,389	3,452,042,101	0.01
PL	80	3,494,505	16,828,661,631	0.02
PT	38	957,442	3,428,202,437	0.03
RO	385	13,811,483	9,124,388,820	0.15
SE	6	98,658	3,421,057,775	0.00
SI	5	80,385	671,724,047	0.01
SK	45	2,740,102	2,149,341,003	0.13
<b>TOTAL EU27</b>	<b>3,213</b>	<b>120,933,286</b>	<b>191,149,513,111</b>	<b>0.06</b>
UK <sup>(1)</sup>	132	3,016,030		

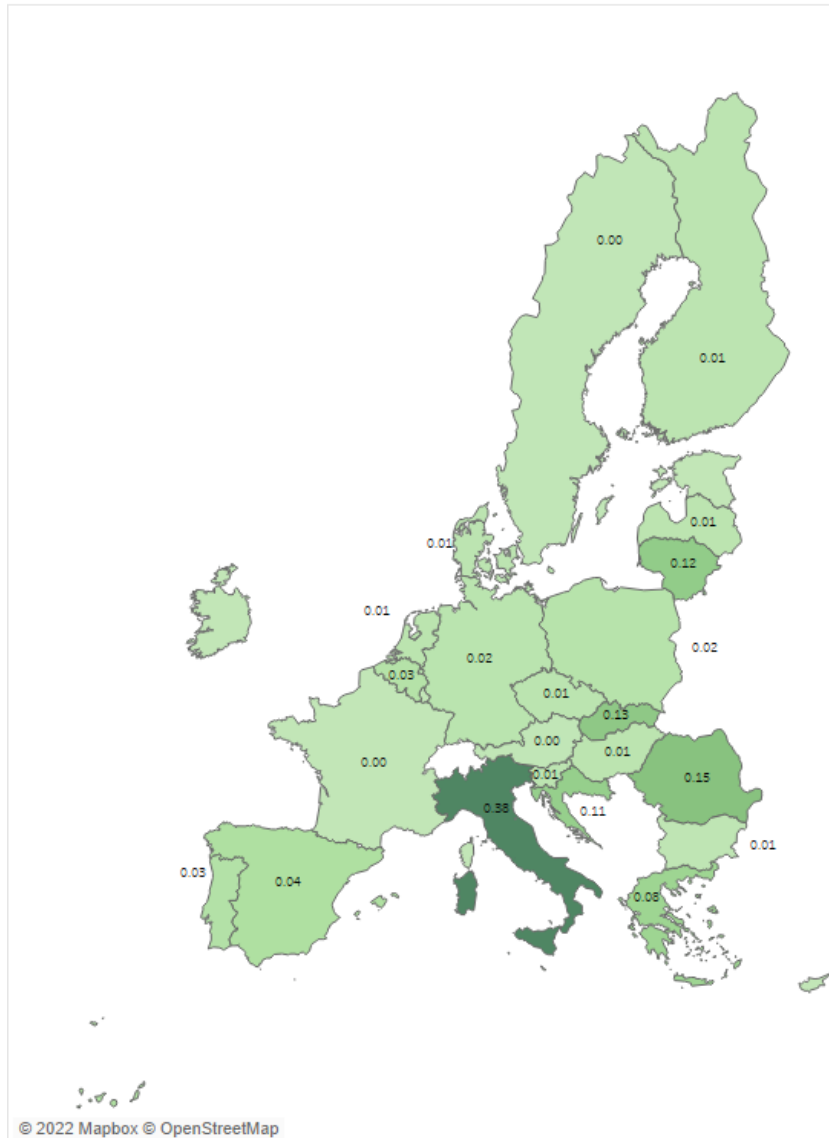
(1) As of 1 February 2020, the UK is no longer part of the EU

Number of irregularities (size) and financial amounts involved (colour - see legend)



The IDR was the highest in Italy, more than double the rate for Romania, which ranked second. 22 Member States have reported non-fraudulent cases in direct aid.

Map NR6: Irregularity Detection Rate by Member State (EU27)  
Direct aid to farmers 2017-2021



In this map, IDR '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no IDR is mentioned in the map for the relevant Member State. See Table NR26. UK is not included in the map.

Tables NR25 and NR26 above suggest that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (Romania and Italy) reported 80% of all fraudulent irregularities (and 79% of irregular financial amounts) related to direct aid, while they received about 14% of payments. With reference to non-fraudulent irregularities, the top two Member States in terms of number of detections (Italy and Romania) reported about 51% of such irregularities (and 69% of irregular financial amounts), while they received about 14% of payments.

The concentration of detections in relation to direct payments to farmers was analysed in detail in the 2018 PIF Report, covering the period 2014-2018.<sup>67</sup> The analysis suggests that the concentration of detections went beyond what could be expected given the level of concentration of payments related to direct aid to farmers among Member States. This may

<sup>67</sup> Section 3.4.3.3 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final



be due to different factors, including no uniform management and control systems and, for the fraudulent irregularities, different approaches to criminal investigation and prosecution to protect the EU financial interests.

#### 3.4.4. Follow-up to suspected fraud

In the 2019 PIF Report, a new analysis of the follow-up Member States give to suspected fraud has been introduced. This analysis considers the irregularities that have been reported as suspected fraud from 2007 to 2013 and look at whether these irregularities have been dismissed (meaning whether they have been de-classified to administrative irregularities), they are still pending as suspected fraud or they have been confirmed as established fraud (following a final verdict). The details about the methodology for this analysis can be found in the 2019 PIF.<sup>68</sup>

Table NR27 includes the update of the *dismissal ratio*, *established fraud ratio* and *pending ratio*. The *dismissal ratio* gives the percentage of fraudulent irregularities that have been reclassified as non-fraudulent during their lifetime, until end of 2021.<sup>69</sup> The *established fraud ratio* gives the percentage of fraudulent irregularities that were classified as established fraud by the end of 2021.<sup>70</sup> The *pending ratio* gives the percentage of fraudulent irregularities that were still classified as suspected fraud at the end of 2021.<sup>71</sup> These three percentages sum to 100%.

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<sup>68</sup> See Section 3.4.4. of 'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2020)160 final (part 1/3)

<sup>69</sup> IRQ2 stands for non-fraudulent irregularities, IRQ3 stands for suspected fraud, IRQ5 stands for established fraud. The following paths are considered for the *dismissal ratio*: IRQ3IRQ2, IRQ2IRQ3IRQ2, IRQ5IRQ3IRQ2, IRQ3IRQ2IRQ5IRQ3IRQ2, IRQ3IRQ5IRQ3IRQ2, IRQ5IRQ2.

<sup>70</sup> The following paths are considered for the *established fraud ratio*: IRQ3IRQ5, IRQ2IRQ3IRQ5, IRQ2IRQ5, IRQ5, IRQ5IRQ3IRQ5, IRQ3IRQ2IRQ5.

<sup>71</sup> The following paths are considered for the *pending ratio*: IRQ3, IRQ2IRQ3, IRQ5IRQ3, IRQ3IRQ2IRQ3, IRQ3IRQ5IRQ3.

Table NR27 - CAP - Programming Period 2007-2013, irregularities reported during the period 2007-2013

Member State	Dismissal		Established fraud		Pending	
	N.	Ratio %	N.	Ratio %	N.	Ratio %
AT	0	0	1	14	6	86
BE	0	0	1	13	7	88
BG	24	10	61	27	145	63
CY	0	0	0	0	1	100
CZ	14	88	2	13	0	0
DE	10	42	4	17	10	42
DK	13	11	5	4	100	85
EE	1	5	7	33	13	62
ES	13	65	0	0	7	35
FR	10	50	0	0	10	50
GR	7	30	1	4	15	65
HU	57	78	6	8	10	14
IE	0	0	0	0	4	100
IT	40	45	8	9	41	46
LT	0	0	0	0	1	100
LU	0	0	0	0	1	100
LV	2	22	4	44	3	33
MT	0	0	0	0	5	100
NL	0	0	0	0	1	100
PL	32	22	25	17	87	60
PT	0	0	0	0	1	100
RO	3	2	19	13	122	85
SE	0	0	0	0	6	100
SI	0	0	4	31	9	69
SK	0	0	1	50	1	50
EU27	226	23	149	15	606	62

Similar to the situation up to 2019, about 23% of the irregularities reported as fraudulent were dismissed and reclassified as non-fraudulent by the end of 2021. Another 62% of these irregularities were still pending. This may point to a significant underestimation of the *dismissal ratio*, because part of these cases that are still classified as suspected fraud are already closed. In any case, between 8 and 15 years have already passed since the detection of the irregularity and the more time passes the less it can be expected that fraud will actually be established.

The *dismissal ratio* varied across the Member States. High *dismissal ratios*, especially when associated with high *pending ratios*, may be due either to the detection phase or to the investigation/prosecution phase. Low *dismissal ratios* may be positive, but they may also be the result of many irregularities still pending. After eight years following the end of the period under consideration, the *dismissal ratio* was zero or very low in many Member States. This indicator must be read in combination with the *pending ratio*. The latter points to the possibility that the *dismissal ratio* increases in the future (depending on the number of cases that are still open) or to an underestimation of the *dismissal ratio* (depending on the number of cases that are already closed). High dismissal ratios, especially when associated with a high number of still pending cases, may be due to (i) a detection phase that leads to report to the judicial authority cases that were not fraudulent; (ii) an investigation/prosecution phase that gives low priority or does not have enough resources to properly address the case; (iii) the stage of the procedure when an irregularity is classified as suspected fraud.<sup>72</sup>

<sup>72</sup> The dismissal ratio also depends on the stage of the procedure when an irregularity is classified as suspected fraud. For example, if such classification takes place when the administrative authority forwards a case to the

**The cases of established fraud were few. This may point to the need to invest further in the investigation/prosecution phase.** At EU-27 level, *established fraud ratio* was 15%. It was zero or very low in many Member States. In general, the *established fraud ratio* is not likely to increase significantly because, while 62% of cases are still classified as suspected fraud (*pending ratio*), part of them are already closed and, in any case, between 8 and 15 years have already passed since the detection of the irregularity. Similarly to the *dismissal ratio*, also the *established fraud ratio* depends on the stage of the procedure when an irregularity is classified as suspected fraud (see above).

### 3.5. Recovery cases

For an in-depth analysis of recovery and financial corrections in the CAP, see the DG AGRI's 2021 Annual Activity Report and the 2021 Annual Management and Performance Report for the EU Budget<sup>73</sup>.

## MAIN FINDINGS

### *Fraudulent irregularities*

Over the period 2017-2020, the number of fraudulent irregularities in support to agriculture expenditure and the financial amounts involved were rather stable, apart from a significant increase of the financial amounts in 2017-2018, caused by just two cases related to market measures. In 2021, the number of fraudulent irregularities decreased by 17% with respect to 2020 and the financial amounts moved in the opposite direction, bouncing back to the 5-year average, after a record low in 2020.

Over the period 2017-2021, fraudulent irregularities for rural development increased by 23%. They were related to both PP 2007-2013 and PP 2014-2020. The number of irregularities related to PP 2007-2013 fell sharply as from 2017. This is in line with the multiannual nature of the programming period, which closed in 2015. The number of reported irregularities related to PP 2014-2020 have been increasing, but slowly. During the first eight years of implementation, the management and control systems for PP 2014-2020 detected much fewer fraudulent irregularities than the systems for PP 2007-2013, during the first eight years of that programming period (during 2007-2014). This slow start should be closely monitored to ensure it is not due to a reduced focus on combatting fraud.

There were a number of fraudulent irregularities concerning both rural development spending and direct aid to farmers.

During 2017-2021, more fraud was detected in rural development than in support to agriculture expenditure, in proportion to the payments received by the Member States. The weight of the financial amounts involved in fraudulent irregularities on payments (fraud detection rate - FDR) for rural development was more than double that for support to agriculture (0.14% versus 0.06%). The FDR was 0.08% for the overall CAP expenditure. Reimbursement-based expenditure, such as rural development, is more prone to errors than entitlement-based expenditure and provides more opportunities for fraudsters. Most support to agriculture payments concern direct aid to farmers, which recorded the lowest FDR, at 0.01%. In this area the integrated administration and control system and the parcel identification system support cross-checks, which enhances prevention. However, the other

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prosecution service, dismissal is more likely. If an irregularity is classified as suspected fraud only when a prosecutor requests the indictment, dismissal is less likely.

<sup>73</sup> COM (2022) 401/2 on 7/6/2022. See also the Communication from the Commission to the Parliament, the Council and the Court of Auditors on the Protection of the EU budget – COM(2016)486 on 18/7/2016.

component of support to agriculture, market measures, accounted for the highest FDR, at 0.72%. Excluding a few irregularities involving exceptional financial amounts, the FDR was still 0.34%, more than double that for rural development.

The detection of fraudulent irregularities was concentrated in few Member States. The level of concentration goes beyond what could be expected given the level of concentration of corresponding payments. This could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities are reported. The concentration of detections was more accentuated for fraudulent rather than for non-fraudulent irregularities. This suggests that different approaches to criminal investigation and prosecution could be an additional and significant factor explaining the different levels of detection among Member States.

In most fraudulent irregularities, the ‘persons involved’ tend to be legal entities. Most are private companies, followed by non-profit organisations, in particular associations. Most fraudulent irregularities involve a single entity.

#### *Non-fraudulent irregularities*

Over the period 2017-2021, non-fraudulent irregularities in support to agriculture expenditure continued to be rather stable. The irregular financial amounts linked to this part of the budget fluctuated strongly, mainly due to four cases related to market measures involving over EUR 15 million each reported in 2017, 2019 and 2021, and none detected in 2018 and 2020.

Non-fraudulent irregularities in rural development expenditure concerned both PP 2007-2013 and PP 2014-2020. The number of irregularities related to PP 2007-2013 fell sharply during 2017-2019, which was to be expected, considering that this programming period closed in 2015. Since then, there were still detections of PP 2007-2013 cases and they have been following a stable trend. On the other hand, the Member States started reporting detections related to PP 2014-2020, following an accelerating trend, reflecting progress in the implementation under this programming period.

The number of non-fraudulent irregularities in rural development expenditure has regularly and significantly exceeded those in support to agriculture throughout the entire 2017-2021 period, with over double the number of irregularities. The ratio of the financial amounts involved in non-fraudulent irregularities on payments (the irregularity detection rate - IDR) was very different between the two types of support, as it was 0.19% for support to agriculture and 0.71% for rural development (0.32% for the overall CAP expenditure). Most of support to agriculture payments concern direct payments to farmers, which recorded the lowest IDR, at 0.06%. This is consistent with the findings of the European Court of Auditors, according to which payments made on an entitlement basis (such as direct payments to farmers, which represent most of CAP expenditure) is less prone to error than reimbursement-based expenditure (such as rural development). However, another part of support to agriculture, market measures, accounted for the highest IDR, at 2.19%. Excluding a few irregularities involving exceptional financial amounts, the IDR was 1.46%, still double than that for rural development.

There were a number of non-fraudulent irregularities concerning both rural development spending and direct aid to farmers.

*Types of violation – support to agriculture**Fraudulent irregularities*

Over the period 2017-2021, fraudulent irregularities in support to agriculture mainly concerned the documentary proof. Fraudulent irregularities concerning the request were also recurrent. In most cases, these irregularities concerning documentary proof or request were due to falsification. In the case of direct payments, most of these violations were concentrated in two Member States. A wide range of documents and information can be falsified, such as lease agreements, property documents, compliance with the conditionality requirements.

The Member States detected few fraudulent cases related to the implementation of the action, but there were also several cases in combination with other violations, such as documentary proof, the request, ethics and integrity. These cases accounted for the second highest financial amounts involved and were related to market measures.

Irregularities concerning product, species and/or land were more frequently detected, mostly in relation to direct aid to farmers. The majority of these violations concerned over or fictitious declarations.

High average financial amounts (about EUR 1.8 million) were recorded in several cases of conflict of interest combined with other violations. These irregularities were related to the market measure ‘*promotion*’ and were investigated by OLAF, which uncovered complex fraudulent schemes, mainly based on price inflation, kickback payments and money laundering. The public procurement procedures were also breached via a solid network of companies based in different countries. In some cases, the manipulation was possible also due to the collusion of the beneficiaries.

One Member State reported a significant number of fraudulent cases of beneficiaries creating artificial conditions to receive financial support, under the category ‘*ethics and integrity*’. Most of these cases concerned direct aid to farmers. For example, beneficiaries may artificially split agricultural holdings and request aid via several linked companies, to avoid degressive aid rates or limits in terms of area or animals. Either the other Member States failed to detect similar irregularities or they reported them under other categories.

*Non-fraudulent irregularities*

Non-fraudulent violations mostly concerned requests for aid, most of the times because of falsification of documents (which would not be expected for non-fraudulent irregularities) or incomplete/incorrect requests, in relation to direct payments to farmers. When these violations concerned market measures, they were about products or species not eligible for aid.

Non-fraudulent violations concerning the documentary proof increased significantly in 2021, mainly because of detections in one Member State in relation to direct payments to farmers (incomplete/incorrect documents).

Concerning violations related to the implementation of the action, the infringements concerning market measures were prevalent, with (i) the highest financial amounts in cases where the action was not implemented and in cases where the beneficiary carried out an operation that was prohibited during the measure; (ii) the highest frequency of cases where the action was not implemented or not completed.

The vast majority of violations concerning the beneficiary were related to direct payments to farmers and were about the beneficiary not having the required quality. This is the cases also for the market measures, where higher financial amounts were involved and which more

frequently were combined with other types of infringements, especially in the implementation of the action.

Another recurrent type of irregularities not reported as fraudulent concerned the products, species or land, in particular in relation to direct payments to farmers (mostly over or fictitious declarations), but also market measures (mostly, inexact quantities).

Concerning '*ethics and integrity*', apart from two cases of conflict of interest in relation to market measures, all of these violations were reported as '*other*'.

#### *Types of violations – rural development*

##### *Fraudulent irregularities*

Similar to irregularities in support to agriculture, over the period 2017-2021, irregularities in rural development mainly involved cases of falsified documentary proof or, to a lesser extent, falsified requests for aid. This may include falsified invoices, declarations of equipment as new while it is second-hand, bids in the context of procurement and information on compliance with conditions for receiving the aid. A significant number of rural development fraudulent irregularities were related to the action, which was often not implemented.

One Member State reported a high number of rural development fraudulent cases of beneficiaries creating artificial conditions to receive financial support, under the category '*ethics and integrity*' (see also support to agriculture). Only two irregularities were reported as corruption and a few as conflict of interest, especially in procurement and in combination with other violations such as false documents or requests, non-implementation of the action.

##### *Non-fraudulent irregularities*

The highest number of non-fraudulent irregularities in rural development were related to the action, most often not completed, not implemented or delayed. Violations concerning the documentary proof (most often missing) or the beneficiary (most often not having the required quality) were also recurrent. They were also often combined with the violations concerning the action and with each other. Several cases of falsified documents or requests of aid were reported, which would not be expected for non-fraudulent irregularities. Most of the violations concerning product, species or land were due to over or fictitious declarations. There were just a few reported cases of conflict of interest, mostly in relation to procurement.

##### *Zooming in on market measures*

Individual fraudulent and non-fraudulent irregularities involving the highest financial amounts are often related to market measures. From 2017-2021, a few, but high-impact irregularities were related to aid to producer groups for preliminary recognition in the 'fruits and vegetables' sector and a food programme for deprived persons.

The highest number of irregularities reported as fraudulent concerned national support programmes for the wine sector. Irregularities affected in particular investment measures and the restructuring and conversion of vineyards. However, fraud hit also promotion measures, including in non-EU markets.

The highest total financial amounts were related to market measures concerning fruits and vegetables, which most often concerned aid to producer groups for preliminary recognition. In general, fraud touched both measures concerning formation/administrative operation and measures concerning investment, sometimes together in the same case. The financial amounts involved were high also for the market measure specifically related to the promotion of

agricultural products. Fraud affected both promotion in the EU markets and in third countries, with higher irregular financial amounts involved in the latter.

The majority of the irregularities not reported as fraudulent concerned market measures for products of the wine-growing sector, most of the times related to restructuring and conversion of vineyards. In the context of products for the wine sector, also irregularities related to investments were frequently reported. When promotion measures were concerned, the majority of cases were related to promotion in third countries.

Promotion of agricultural products was affected by non-fraudulent irregularities also when not related to the wine sector. In this case, the majority of irregularities concerned promotion within the EU.

The highest financial amounts were involved in non-fraudulent irregularities related to 'fruit and vegetables'. In particular, this was due to irregularities related to aid to producer groups for preliminary recognition. They concerned both investments and formation/administrative operation, sometimes together in the same irregularity. Even more frequent than irregularities related to aid for preliminary recognition were irregularities concerning operational funds for producers organisations.

Programmes of Option Specifically Relating to Remoteness and Insularity (POSEI) were often affected by non-fraudulent irregularities. Most of the times, this was linked to supply arrangement or other measures.

The school schemes were also not free from non-fraudulent irregularities, in particular concerning the supply and distribution of the products. The majority of cases were related to fruit and vegetables.

#### *Risk analysis and spontaneous reporting*

With reference to rural development and direct payments to farmers, risk analysis and spontaneous information from civil society, including from the media, have a marginal contribution in detecting fraudulent and non-fraudulent irregularities.

In relation to market measures, risk analysis has a stronger role in detection, including because the risk-based scrutiny of commercial documents of those entities receiving payments. About 7% of the fraudulent irregularities were detected following tips, which is similar to other CAP sectors.

#### *Anti-fraud work carried out by the Member States*

The Member States are requested to indicate the date or period when the irregularity was committed. Most irregularities covered extended spans of time, particularly in cases of fraudulent irregularities, consistent with their intentional nature. The average duration of these protracted irregularities is about two years, both for fraudulent and non-fraudulent cases.

Detection rates are the outcome of the checks carried out by the Member States and they can vary across Member States due to different underlying levels of irregularities and fraud, but also due to differences in the quality of prevention or detection work or different reporting practices. Over the period 2017-2021, the FDRs exceeded 0.5% in Estonia and 0.30% in Romania and Bulgaria. However, the picture changes depending on the CAP sector. For rural development, Estonia, Denmark and Romania recorded the highest FDRs, while Bulgaria, Portugal and Malta scored the highest IDR. For market measures, the FDR was the highest in Poland and Bulgaria, but also significantly higher than the EU average in Czechia.

The IDR was the highest in Poland, but it was high also in Malta and Romania. For direct aid, Romania recorded the highest FDR and Italy the highest IDR.

Therefore, detection levels were different across the Member States. In all CAP sectors (rural development, market measures and direct aid) the level of detection of irregularities and fraud across the different Member States was uneven. The level of concentration among Member States was analysed in detail in the 2018 PIF Report, covering the period 2014-2018.

For rural development, this analysis suggested that the difference in level of concentration between detections and payments was less pronounced for non-fraudulent irregularities, even though the examination of data on individual Member States highlighted significant discrepancies. The concentration of detections was instead more accentuated for fraudulent irregularities, suggesting that different approaches to criminal investigation and prosecution could be an additional and significant factor explaining the different levels of detection among Member States. Also in the specific case of market measures, this analysis found that the level of concentration of detections went beyond what could be expected given the distribution of corresponding payments, especially for fraudulent irregularities.

According to the same analysis, direct aid was the CAP sector with the highest level of concentration. This may be due to different factors, including not uniform management and control systems and, for the fraudulent irregularities, different approaches to criminal investigation and prosecution. Specific problems may occur at the local level that need to be correctly and promptly addressed by the competent national authorities.

About one fourth of the irregularities reported as fraudulent were dismissed. The dismissal ratio varied across the Member States. High dismissal ratios, especially when associated with a high number of still pending cases, may be due to (i) a detection phase that leads to report to the judicial authority cases that were not fraudulent; (ii) an investigation/prosecution phase that gives low priority or does not have enough resources to properly address the case; (iii) the stage of the procedure when an irregularity is classified as suspected fraud.

Analysis suggests that the dismissal ratio is significantly underestimated. About 62% of the irregularities reported as fraudulent were still pending. However, for part of them no changes of status are to be expected, because they are closed cases. In any case, between 8 and 15 years have already passed since the detection of the irregularity. There were few cases of established fraud. This may indicate the need to invest further in the investigation/prosecution phase.



## 4. COHESION, FISHERIES AND OTHER INTERNAL POLICIES

### EXECUTIVE SUMMARY

Section 4 analyses fraudulent and non-fraudulent irregularities reported by the Member States to the Commission through the Irregularity Management System. It mainly focuses on the irregularities related to the Cohesion and Fisheries policies, financed by the Cohesion Fund, the European Regional Development Fund, the European Social Fund and the Fisheries Funds (the European Structural and Investment Funds - ESIF).

Between 2017 and 2021, the number of fraudulent and non-fraudulent irregularities related to the **programming period 2007-2013** decreased for the ESIF. The number of irregularities reported for the **programming period 2014-2020** increased. These dynamics are in line with known trends and patterns in the detection and reporting of irregularities and are linked to the implementation cycle of multiannual programmes.

The number of irregularities reported as fraudulent for the programming period 2014-2020 were in line with those detected for the programming period 2007-2013 after the same number of years from the start of the period. This is not the case for non-fraudulent irregularities. For them, the **fall in the number and financial amounts reported after eight years** from the start of the programming period is striking. Analysis identifies a number of potential explanations that may cover a significant part of this strong decline, such as delay in implementation of operational programmes, changes in reporting practices, increased use of simplified cost options, the introduction of the annual accounts, increased capability of implementing bodies and beneficiaries.

**Risks** of irregularities seem to be higher in the areas of the cohesion policy related to **transport, environment protection**, research, technological development and innovation (**RTD&I**), **social inclusion** and promotion of **employment** and labour mobility.

Analysis points to risks related to the **green transition**, including for investments in energy efficiency, in the provision of drinking water, in waste management, in renewable energy (solar) and in risk prevention. Risks to the **digital transition** seem to be pointing at services and applications for SMEs, in terms of number of irregularities and services and applications for e-Government, in terms of financial amounts involved. Irregularities were reported also in relation to investments in the infrastructure for the digital transition.

Concerning **RTD&I**, analysis suggests higher risks for investments to provide assistance to these activities in firms. Measures to stimulate research, innovation and entrepreneurship in SMEs were particularly affected.

Risks are high in relation to investments in the **transport infrastructure**, because of the frequency of irregularities in generic road projects, which reach the regional and local level, and because of the high financial amounts involved in irregularities concerning railways and Trans-European Network (TEN) roads. Also investments in TEN multimodal infrastructure and in the electricity networks seem to be quite risky.

Risks in relation to **social inclusion**, poverty and discrimination seem to be higher for investments in (i) active inclusion; (ii) health infrastructure; (iii) improved access to healthcare and social services; (iv) social infrastructure and regeneration of rural and urban areas; (v) investments in favour of marginalised communities and (vi) childcare infrastructure.

In relation to the promotion of **employment** and labour mobility, risks seem to be higher for investments for (i) the adaptation to change of workers and enterprises, in particular

operations for the design and dissemination of innovative and more productive ways of working; (ii) access to employment, in particular operations for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, and (iii) support for self-employment and business start-up.

The most frequent fraudulent violations were about the use of **false or falsified documents**. High financial amounts were involved where fraudulent infringements of contract provisions/rules took place. This type of fraud often consisted in **incomplete or non-implementation of the funded action**. Most of fraudulent violations concerning ethics and integrity were about **conflict of interests**. Infringements of **public procurement** rules were the most reported among non-fraudulent violation, but only in 4% of these cases fraud was detected.

**Risk analysis** has still a marginal contribution in detecting fraud, while **information from civil society** (including information published in the media) has a significant and growing role. This is not the case for non-fraudulent irregularities. Detection of fraud and irregularities could improve through ex-post thematic risk analysis projects focusing on groups of past transactions.

Two thirds of the irregularities have been occurring over a period of time, averaging nearly one year and a half. The rest of the irregularities consisted of a single act identifiable on a precise date. On average, it took more than one year to come to a suspicion that a fraudulent irregularity had been committed and one year and a half to close the case after reporting. These **average times** are expected to increase as the implementation of the operational programme progresses.

With reference to the programming period 2014-2020, the **Fraud Detection Rates (FDR)** recorded by Romania and Slovakia were very high, but due to single irregularities that involved huge financial amounts. These irregularities also had a strong impact on the EU-27 FDR, which was about 1% and higher than in the programming period 2007-2013. In line with the general deep decrease in non-fraudulent irregularities reported, the **Irregularity Detection Rate (IDR)** was above 1% only in Slovakia, Romania, Bulgaria, Greece. At EU-27 level, IDR was about 0.7%, much lower than in the programming period 2007-2013. These FDRs and IDRs for the programming period 2014-2020 are likely to change significantly in the coming years, with progress in the implementation of the operational programmes.

After about 10 years from initial reporting, the share of cases of suspected fraud that have not led to conviction remains very high, while the share of cases in which fraud is established is low. This may signal the need to invest further in reporting suspected fraud and in the investigation/prosecution phase.

Concerning shared management Funds for other **internal policies**, the FEAD was the Fund most affected by fraud. More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: AMIF, the FEAD and the YEI.

#### 4.1. Introduction

Section 4 presents a statistical evaluation of irregularities and fraud detected by the Member States during 2021, with reference to the cohesion and fishery policies. It places these detections in the context of past years and relevant programming periods. The Member States reported these irregularities and cases of fraud to the Commission through the Irregularity Management System (IMS).

Over half of EU funding is channelled through the five European Structural and Investment Funds (ESIF):

- The European Regional Development Fund (ERDF), which promotes balanced development in the different regions of the EU;
- The European Social Fund (ESF), which supports employment-related projects throughout Europe and invests in Europe's human capital, *i.e.* its workers, its young people and all those seeking a job;
- The Cohesion Fund (CF), which funds transport and environment projects in countries where the gross national income (GNI) per inhabitant is less than 90% of the EU average. In 2014-2020, these countries were Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia;
- The European Agricultural Fund for Rural Development (EAFRD)<sup>74</sup>, which focuses on resolving the particular challenges facing the EU's rural areas;
- The European Maritime and Fisheries fund (EMFF), which helps fishers to adopt sustainable fishing practices and coastal communities to diversify their economies, improving quality of life along European coasts. Due to the operating rules of the EMFF and the European Fisheries Fund (EFF), which are very similar to those of the other Structural Funds, irregularities reported by Member States in relation to fisheries policies are treated in this section, jointly with the Funds for cohesion and economic convergence.

The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy and environment. They mainly focus on five areas: (i) research and innovation; (ii) digital technologies; (iii) supporting the low-carbon economy; (iv) sustainable management of natural resources; and (v) small businesses.

The European Commission and the EU Member States jointly manage ESIF. Each Member State prepared a partnership agreement, in collaboration with the Commission.

After this introduction, Section 4.2. focuses on general trends for fraudulent and non-fraudulent irregularities. It compares detection in the programming period (PP) 2014-2020 with detection in PP 2007-2013, to better assess current trends in detecting irregularities. Section 4.3. analyses more specifically fraud and irregularities to get a better understanding on how different areas of the cohesion policy were impacted, including research and innovation and the green and digital transitions, which are central also to the Recovery and Resilience Facility. The same section includes an analysis of the types of violations reported for the cohesion policy. Section 4.4. focuses on the reasons for carrying out checks that led to the detection of irregularities. Section 4.5. takes a closer look at the Member States' anti-fraud activities and the results obtained, analysing fraud and irregularity detection rates (the ratio between the amounts involved in cases reported as fraudulent (FDR) or not reported as

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<sup>74</sup> EAFRD expenditure is considered in Section 3 'Common agricultural policy', when focusing on rural development.

fraudulent (IDR) and the relevant payments). Section 4.6. provides figures on other shared management Funds.

#### 4.2. General analysis

The analysis in this section refers to the EU-27, unless specified otherwise. **UK data is added in the tables, as specified, to give a complete picture. However, the accompanying analysis is focused on the current Member States and the EU-27 aggregate.** In the whole section, when reference is made to ‘fraudulent’ or ‘fraud’, it includes ‘*suspected fraud*’ and ‘*established fraud*’.<sup>75</sup>

Member States are requested to communicate:

- non-fraudulent irregularities only when they are detected after the expenditure has been introduced in a statement submitted to the Commission. This derogation does not apply to fraudulent irregularities: Member States must always report them.
- fraudulent and non-fraudulent irregularities with financial amounts above EUR 10 000. During 2017-2021, several Member States reported also a number of irregularities below this threshold. However, these irregularities represented about 1% of all irregularities reported (EU-27). They are included in the analysis for this section, to make use of all available information.<sup>76</sup>

Analysis of the EU cohesion policy is more complex than other budget sectors, as information refers to different programming periods, which are regulated by different rules.

##### 4.2.1. Irregularities reported as fraudulent

###### 4.2.1.1. Trend by programming period

Table CP1 below provides an overview by programming period and by Fund of the **irregularities reported as fraudulent** in the past 5 years (2017-2021)<sup>77</sup>.

**Fraudulent irregularities related to PP 2007-2013** peaked in 2015, gradually decreased in the following years and in 2018 they were overtaken by those related to PP 2014-2020. These **dynamics are in line with known trends and patterns** in the detection and reporting of irregularities and are linked to the PP 2007-2013 implementation cycle<sup>78</sup>.

<sup>75</sup> ‘*Suspected fraud*’ means an irregularity that gives rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in Article 1(1)(a) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities’ financial interests’. Regardless of the approach adopted by each Member State, ratification of the 1995 Convention has equipped every country with a basis for prosecuting and possibly imposing penalties for specific conducts. If this occurs, i.e. a guilty verdict is issued and is not appealed against, the case can be considered ‘*established fraud*’. See ‘*Handbook on Reporting irregularities in shared management*’ (2017).

<sup>76</sup> Data for this section was downloaded from the irregularity management system (IMS) on 7 March 2022. When entering a case, the contributor is requested to specify the currency in which the amounts are expressed. Where the value of this field is ‘EUR’ or the field was left blank, no transformation is applied. Where this field was filled with another currency, the financial amounts involved in the irregularity have been transformed, based on the exchange rates published by the European Central Bank (ECB) at the beginning of 2022.

<sup>77</sup> In some cases, the Member States reported irregularities as non-fraudulent, while a penal procedure had been started. This may be due to the need to wait for some procedural steps before classifying an irregularity as fraudulent. These cases are not included as fraudulent in the analysis for this report; considering them as such would increase the number of fraudulent irregularities by about 11% (1% in terms of financial amounts involved).

<sup>78</sup> When support is based on multiannual programmes, the number of irregularities can be expected to increase around the end of the eligibility period and decrease afterwards, when routine controls are less intense. In

Reporting related to **PP 2014-2020** basically started in 2017. It has been fluctuating around **an increasing trend**, with ups in 2018 and 2020 and downs in 2019 and 2021. These fluctuations are typical of detection of fraudulent cases, which is less linked to routine checks than detection of non-fraudulent irregularities. The current fraud frequency level (FFL)<sup>79</sup> for PP 2014-2020 is high, at 10%: one irregularities out of ten is reported as fraudulent. To put this into context, during the whole period between 2007 and 2021, FFL for PP 2007-2013 was half of it, just 5%. This **higher tendency to detect fraud is influenced by a strong decrease in non-fraudulent irregularities** during PP 2014-2020. This is analysed further in the next sections.

Table CP1: Number of irregularities reported as fraudulent between 2017 and 2021 by programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	N	N	N	N	N	N
<b>Programming period 2014-20</b>	<b>19</b>	<b>176</b>	<b>102</b>	<b>230</b>	<b>158</b>	<b>685</b>
CF	0	23	1	24	8	56
ERDF	6	106	71	148	111	442
ESF	13	36	25	54	35	163
EMFF	0	11	5	4	4	24
<b>Programming period 2007-13</b>	<b>222</b>	<b>119</b>	<b>71</b>	<b>49</b>	<b>57</b>	<b>518</b>
CF	13	2	6	4	6	31
ERDF	173	96	40	40	30	379
ESF	31	20	19	4	15	89
EFF	5	1	6	1	6	19
<b>Programming period 2000-06</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
ERDF	0	3	0	0	0	3
ESF	3	0	0	0	0	3
<b>TOTAL EU27</b>	<b>244</b>	<b>298</b>	<b>173</b>	<b>279</b>	<b>215</b>	<b>1,209</b>
UK	1	3	3	4	3	14

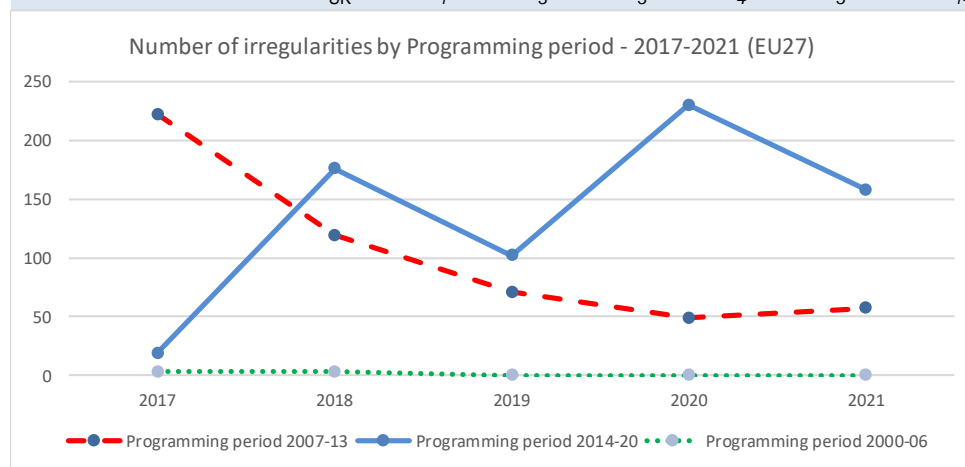


Table CP2 below provides an overview by programming period and by Fund of the **financial amounts involved in cases reported as fraudulent**. The financial amounts tend to fluctuate more due to the possibility of individual cases involving high amounts.

For **PP 2007-2013**, while the number of irregularities peaked in 2015, the **financial amounts remained around the highest level until 2016**. Then, the amounts significantly decreased in 2017 and further dropped in 2019. **In 2020**, there was a limited rebound mainly due to **one ERDF irregularities reported by Italy**, totalling about EUR 18 million.

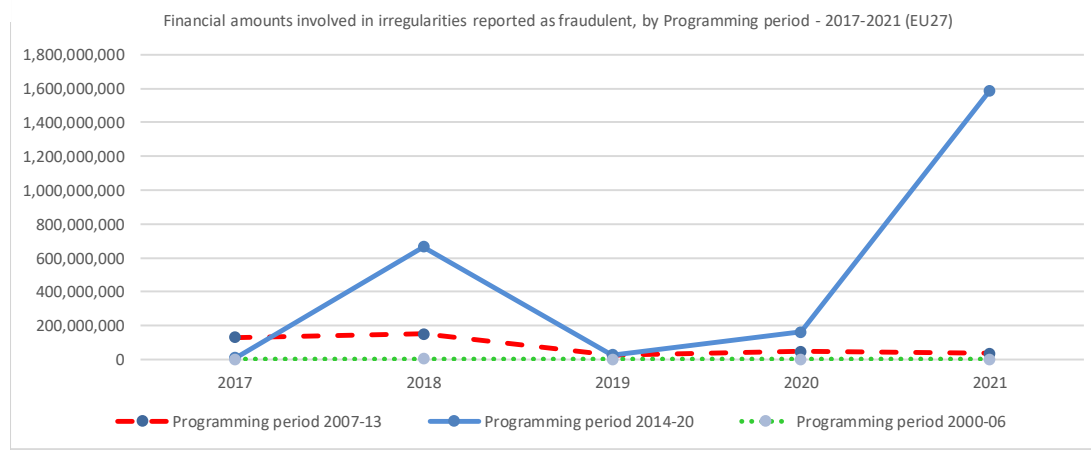
general, increases in the number of reported irregularities can be influenced by Member States' building up their capacity to detect fraudulent irregularities.

<sup>79</sup> FFL is the ratio between the number of fraudulent irregularities reported during a certain period and the total number of irregularities (fraudulent and non-fraudulent) reported during the same period.

For **PP 2014-2020**, the financial amounts skyrocketed at EUR 650 million, in 2018, and at EUR 1 600 million, in 2021. In 2018, this was due to **two ERDF irregularities reported by Slovakia, accounting together for EUR 590 million**. In 2021, the peak was mainly due to **one ERDF irregularity reported by Romania, accounting for EUR 1 270 million**. In addition, **two CF irregularities reported by Slovakia and Romania, accounted together for EUR 190 million**. The acceleration in 2020 was supported by five CF cases reported by Romania, totalling EUR 85 million.

Table CP2: Financial amounts related to the irregularities reported as fraudulent between 2017-2021 by programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	EUR	EUR	EUR	EUR	EUR	EUR
Programming period 2014-20	8,560,619	664,986,587	26,905,197	160,595,559	1,587,616,215	2,448,664,177
CF	0	17,184,367	1,041,151	115,022,891	223,124,824	356,373,233
ERDF	5,764,229	640,092,622	23,762,660	37,961,591	1,355,081,048	2,062,662,150
ESF	2,796,390	6,648,193	1,798,331	4,896,299	8,920,749	25,059,962
EMFF	0	1,061,405	303,055	2,714,778	489,594	4,568,832
Programming period 2007-13	130,318,433	149,702,900	23,377,101	46,451,879	36,432,833	386,283,146
CF	6,231,299	326,696	2,580,064	1,902,892	11,390,262	22,431,213
ERDF	116,052,965	111,913,294	19,776,662	40,283,821	15,928,548	303,955,290
ESF	4,103,725	37,426,779	361,395	4,212,388	7,816,446	53,920,733
EFF	3,930,444	36,131	658,980	52,778	1,297,577	5,975,910
Programming period 2000-06	298,536	2,691,706	0	0	0	2,990,242
ERDF	0	2,691,706	0	0	0	2,691,706
ESF	298,536	0	0	0	0	298,536
<b>TOTAL EU27</b>	<b>139,177,588</b>	<b>817,381,193</b>	<b>50,282,298</b>	<b>207,047,438</b>	<b>1,624,049,048</b>	<b>2,837,937,565</b>
UK	40,118	999,024	1,193,812	250,894	349,785	2,833,633



Those involved in fraudulent irregularities were most often legal entities. **In most Member States, private companies represent the majority of those involved**. The only exception with a large sample is Spain, where most of the reported entities were sub-national governmental bodies<sup>80</sup>.

#### 4.2.1.2. Trend by Fund

Tables CP3 and CP4 below focus on the distribution by Fund of the irregularities reported as fraudulent:

- (1) Also because of the higher share of EU financing channelled through it, **ERDF was the Fund most affected**, because it had the highest number of cases reported as fraudulent, and the related financial amounts were the highest. Of the irregularities detected between

<sup>80</sup> This is based on the analysis included in the 2019 PIF Report, covering 2015-2019 (see Section 4.2.3. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final (part 2/3)). A person involved is anyone who had or has a substantial role in the irregularity. This could be the beneficiary, the person who initiated the irregularity (such as the manager, consultant or adviser), the person who committed the irregularity, etc.

2017 and 2021 for PP 2007-2013, 73% (79% of financial amounts) concerned ERDF. For PP 2014-2020, 65% (84% of the financial amounts) concerned ERDF.

The number of irregularities reported as fraudulent **jumped in 2015. Then, it has fluctuated around the new, higher level, until 2018. In 2019, there was a significant drop in the reporting of fraudulent irregularities**, due to a decrease in detections both for PP 2007-2013 and 2014-2020. Since then, the number of fraudulent irregularities related to PP 2007-2013 was rather low and stable, while **the number of those related to PP 2014-2020 fluctuated around an increasing trend.**

Instead of peaking in 2015, the ERDF financial amounts continued to increase in 2016, and in **2018 and 2021** they literally skyrocketed. As mentioned, these extreme rises were due to the **two irregularities reported by Slovakia (totalling EUR 590 million) and the irregularity reported by Romania (accounting for about EUR 1 270) for PP 2014-2020.**

- (2) After a decrease in 2017, the number of ESF fraudulent irregularities was rather stable. The financial amounts recorded an extraordinary increase in 2018, due to an irregularity reported by Portugal, accounting for more than EUR 30 million, related to PP 2007-2013.
- (3) Since 2010, potential fraud affecting the CF is regularly reported. **In 2018, the majority of detections took place in Slovakia, while in 2020 it was Romania reporting most cases.** The amounts can fluctuate quite significantly, because of the low number of cases and high amounts involved in the projects financed by the CF. In 2020, the financial amounts jumped to nearly EUR 120 million, mainly due to **five irregularities reported by Romania, totalling EUR 85 million.** In 2021, the financial amounts climbed even further to more than EU 230 million, mainly due to **one irregularity reported by Slovakia** (accounting for EUR 118 million) and **two irregularities reported by Romania** (totalling together EUR 105 million).

These trends in financial amounts are also due to **different reporting patterns in the Member States.** This is examined in the 2019 PIF Report, with reference to the 2015-2019 period<sup>81</sup>. For example, for the ERDF, Slovakia had a tendency to detect and report fraudulent cases with large financial amounts, supported by the propensity to identify irregularities covering most of the expenditure of the related projects/operations.

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<sup>81</sup> See Section 4.1.1.2. of ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final (part 2/3)

## COHESION AND FISHERIES

Table CP3: Number of irregularities reported as fraudulent between 2017-2021 by Fund - Cohesion and fisheries policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	EUR	EUR	EUR	EUR	EUR	EUR
CF	13	25	7	28	14	87
ERDF	179	205	111	188	141	824
ESF	47	56	44	58	50	255
EFF	5	1	6	1	6	19
EMFF	0	11	5	4	4	24
<b>TOTAL EU27</b>	<b>244</b>	<b>298</b>	<b>173</b>	<b>279</b>	<b>215</b>	<b>1,209</b>
UK	1	3	3	4	3	14

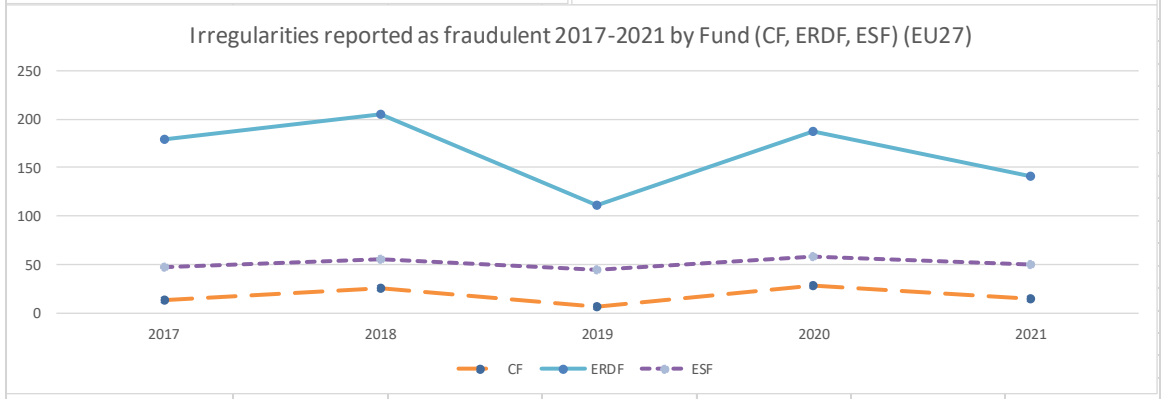
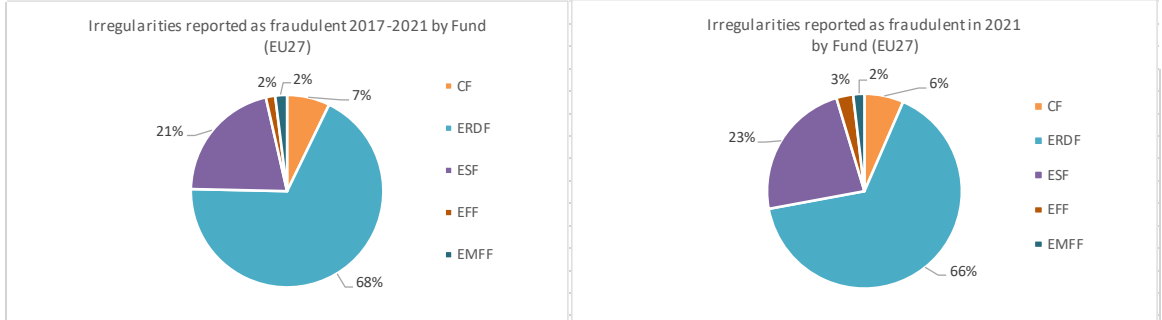
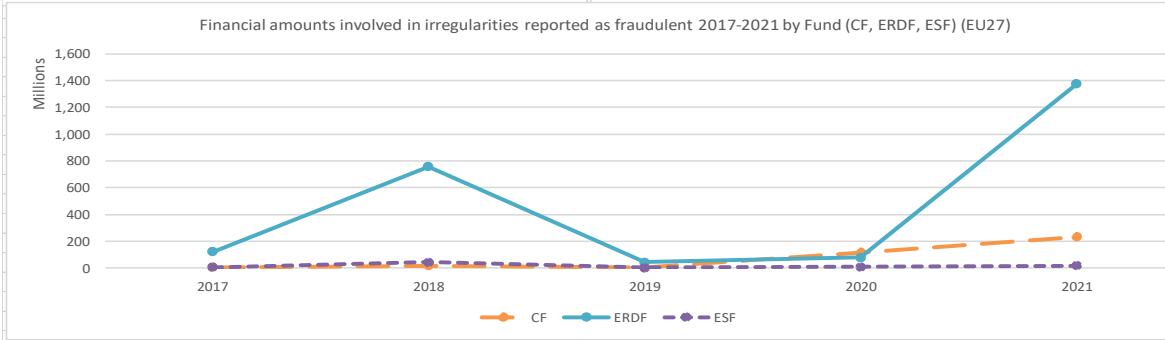


Table CP4: Financial amounts related to irregularities reported as fraudulent between 2017-2021 by Fund - Cohesion and fisheries policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	EUR	EUR	EUR	EUR	EUR	EUR
CF	6,231,299	17,511,062	3,621,215	116,925,783	234,515,085	378,804,444
ERDF	121,817,194	754,697,622	43,539,322	78,245,412	1,371,009,596	2,369,309,146
ESF	7,198,652	44,074,972	2,159,726	9,108,687	16,737,195	79,279,232
EFF	3,930,444	36,131	658,980	52,778	1,297,577	5,975,910
EMFF	0	1,061,405	303,055	2,714,778	489,594	4,568,832
<b>TOTAL EU27</b>	<b>139,177,589</b>	<b>817,381,192</b>	<b>50,282,298</b>	<b>207,047,438</b>	<b>1,624,049,047</b>	<b>2,837,937,564</b>
UK	40,118	999,024	1,193,812	250,894	349,785	2,833,633





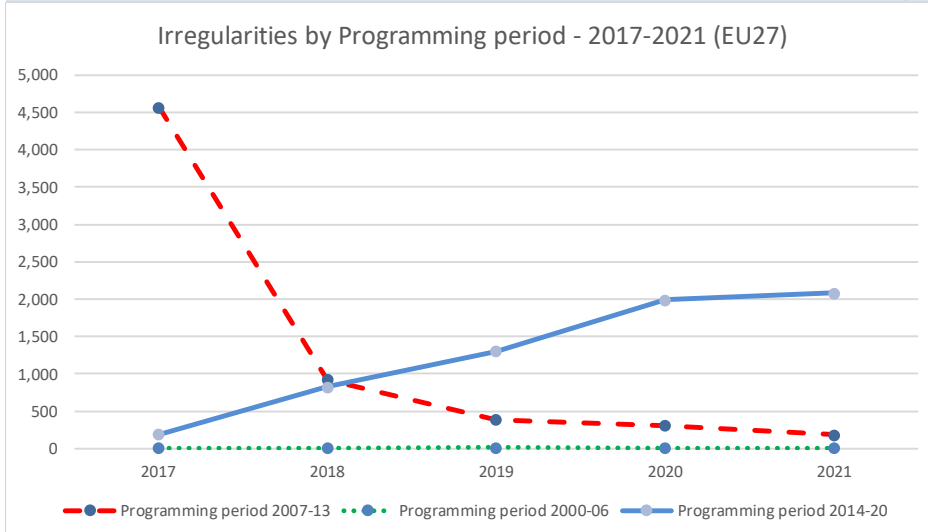
4.2.2. Irregularities not reported as fraudulent

Table CP5 below provides an overview by programming period and by Fund of the irregularities not reported as fraudulent in the past five years (2017-2021). Table CP6 below shows the financial amounts involved in these irregularities. As mentioned, fluctuations in the financial amounts are broader and more frequent than in the number of detections and they can be linked to individual irregularities or groups of irregularities of huge value.

The **decrease in the number of irregularities and financial amounts related to PP 2007-2013** was significant. This is **in line with the multiannual nature** of structural programmes, which were closed already in 2015. This trend was common to all Funds. Also the financial amounts dropped in 2018 and 2019, then started increasing again. **In 2020, the financial amounts increased for all Funds**, except for the EFF, while **in 2021, the financial amounts increased only for the CF**. This was influenced by single cases with very high financial amounts involved. In 2020, **Slovakia reported two CF** non-fraudulent irregularities, totalling more than EUR 40 million, and **Romania and Slovakia reported two ERDF** cases, accounting together for EUR 30 million. In 2021, Hungary reported a CF irregularity, accounting for EUR 66 million.

Table CP5: Number of irregularities not reported as fraudulent between 2017 and 2021 by Programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	
	N	N	N	N	N	
<b>Programming period 2014-20</b>	<b>192</b>	<b>828</b>	<b>1,303</b>	<b>1,992</b>	<b>2,081</b>	<b>6,396</b>
CF	38	96	146	124	120	524
ERDF	94	470	768	1321	1342	3,995
ESF	57	251	349	512	559	1,728
EMFF	3	11	40	35	60	149
<b>Programming period 2007-13</b>	<b>4,567</b>	<b>924</b>	<b>385</b>	<b>310</b>	<b>185</b>	<b>6,371</b>
CF	393	83	34	32	25	567
ERDF	3325	609	304	226	137	4,601
ESF	676	213	29	37	13	968
EFF	173	19	18	15	10	235
<b>Programming period 2000-06</b>	<b>8</b>	<b>6</b>	<b>12</b>	<b>7</b>	<b>5</b>	<b>38</b>
CF	1	0	0	0	0	1
ERDF	5	5	11	2	3	26
ESF	1	1	0	1	2	5
GUID	1	0	1	4	0	6
<b>TOTAL EU27</b>	<b>4,767</b>	<b>1,758</b>	<b>1,700</b>	<b>2,309</b>	<b>2,271</b>	<b>12,805</b>
UK	409	142	193	304	342	1,390

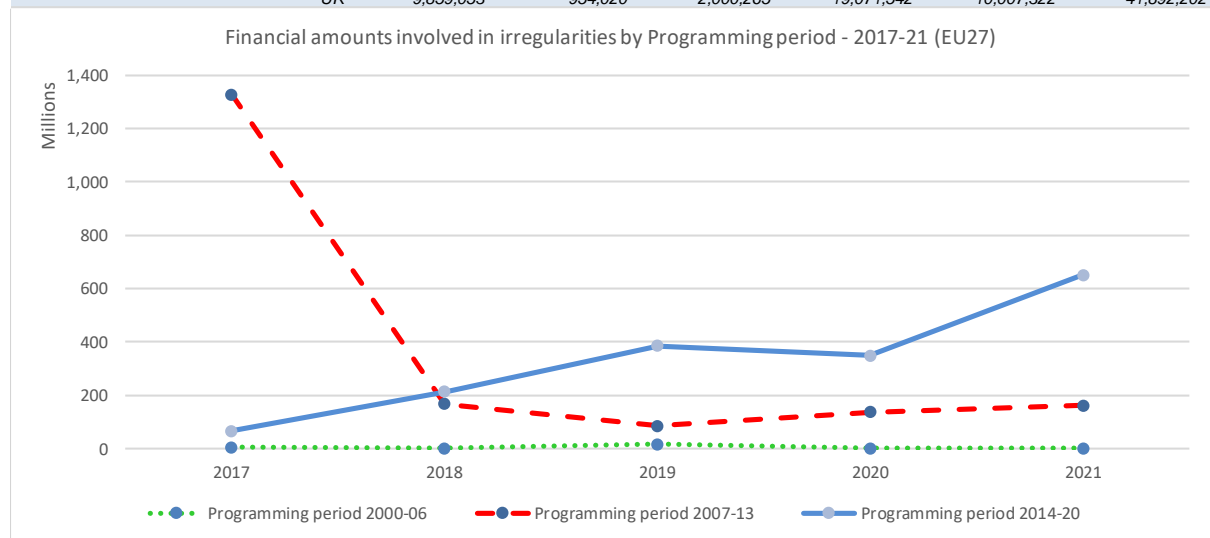


Basically, reporting related to **PP 2014-2020** began in 2016. Since then, these detections and irregular financial amounts **have been increasing for all Funds, but less than expected**

when compared to the previous programming period. **In 2021, despite a slight increase in the number of reported irregularities, the financial amounts involved jumped to more than EUR 650 million.** The following irregularities contributed to this large increase: one ESF reported by Greece (accounting for EUR 108 million), one ERDF irregularity reported by Romania (accounting for EUR 67 million), one CF irregularity reported by Slovakia (accounting for EUR 41 million).

Table CP6: Financial amounts related to irregularities not reported as fraudulent between 2017 and 2021 by Programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2017	2018	2019	2020	2021	EUR
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Programming period 2014-20</b>	<b>65,166,160</b>	<b>212,985,746</b>	<b>385,581,658</b>	<b>349,396,126</b>	<b>651,284,848</b>	<b>1,664,414,538</b>
CF	9,434,500	57,131,449	214,405,716	98,818,249	122,621,507	502,411,421
ERDF	51,267,559	113,792,962	123,122,303	206,574,467	310,196,661	804,953,952
ESF	4,186,218	41,318,251	44,240,668	41,034,862	212,431,438	343,211,437
EMFF	277,883	743,084	3,812,971	2,968,548	6,035,242	13,837,728
<b>Programming period 2007-13</b>	<b>1,326,900,438</b>	<b>167,311,321</b>	<b>83,755,712</b>	<b>136,892,903</b>	<b>160,433,208</b>	<b>1,875,293,582</b>
CF	263,793,827	24,981,267	13,797,872	44,181,286	92,412,743	439,166,995
ERDF	956,020,857	122,455,691	60,439,619	78,843,341	63,050,209	1,280,809,717
ESF	85,253,956	18,903,028	4,587,798	10,922,776	4,161,141	123,828,699
EFF	21,831,798	971,335	4,930,423	2,945,500	809,115	31,488,171
<b>Programming period 2000-06</b>	<b>3,878,806</b>	<b>1,124,363</b>	<b>15,828,702</b>	<b>424,169</b>	<b>1,209,531</b>	<b>22,465,571</b>
CF	1,915,597	0	0	0	0	1,915,597
ERDF	1,005,323	1,097,723	15,443,614	199,069	178,596	17,924,325
ESF	930,270	26,640	0	65,822	1,030,935	2,053,667
GUID	27,616	0	385,088	159,278	0	571,982
<b>TOTAL EU27</b>	<b>1,395,945,404</b>	<b>381,421,430</b>	<b>485,166,072</b>	<b>486,713,198</b>	<b>812,927,587</b>	<b>3,562,173,691</b>
UK	9,859,053	954,020	2,000,265	19,071,542	10,007,322	41,892,202



As for the fraudulent irregularities, **these trends in financial amounts are also due to different reporting patterns in the Member States.** This was examined in the 2019 PIF Report, with reference to the 2015-2019 period<sup>82</sup>. For example, concerning the CF, Slovakia had a tendency to detect and report non-fraudulent irregularities with large financial amounts involved, also because on average the irregularities covered a significant share of the related expenditure.

#### 4.2.3. Irregularities reported in relation to the PP 2014-2020: comparison with PP 2007-2013

The current programming period started in 2014, about 8 years ago. Reporting of irregularities basically began in 2016 and increased in the following years. To put this trend

<sup>82</sup> See Section 4.1.2. of 'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2020)160 final (part 2/3)

into perspective, it can be compared with the number and financial amounts of the irregularities that were recorded during the first 8 years of PP 2007-2013. Tables CP7 and CP8 below provide this information<sup>83</sup>.

Table CP7: Irregularities reported as fraudulent: number and financial amounts involved - Cohesion and fisheries policies (EU27)

PP 2007-2013	REPORTING YEAR								Total
	2007	2008	2009	2010	2011	2012	2013	2014	
N	0	0	46	34	90	121	215	180	686
EUR	0	0	126,874,089	16,806,458	116,783,562	163,628,064	96,887,400	103,522,706	624,502,279
PP 2014-2020	2014	2015	2016	2017	2018	2019	2020	2021	Total
N	0	1	1	19	176	102	230	158	687
EUR	0	150,672	368,039	8,560,619	664,986,587	26,905,197	160,595,559	1,587,616,214	2,449,182,887

Table CP8: Irregularities not reported as fraudulent: number and financial amounts involved - Cohesion and fisheries policies (EU27)

PP 2007-2013	REPORTING YEAR								Total
	2007	2008	2009	2010	2011	2012	2013	2014	
N	0	7	105	934	1,837	2,733	3,675	4,050	13,341
EUR	0	96,615	29,486,215	111,699,745	339,141,553	1,039,633,004	779,077,838	1,222,570,959	3,521,705,929
PP 2014-2020	2014	2015	2016	2017	2018	2019	2020	2021	Total
N	0	1	14	192	828	1,303	1,992	2,081	6,411
EUR	0	15,872	4,354,394	65,166,161	212,985,746	385,581,658	349,396,126	651,284,847	1,668,784,804

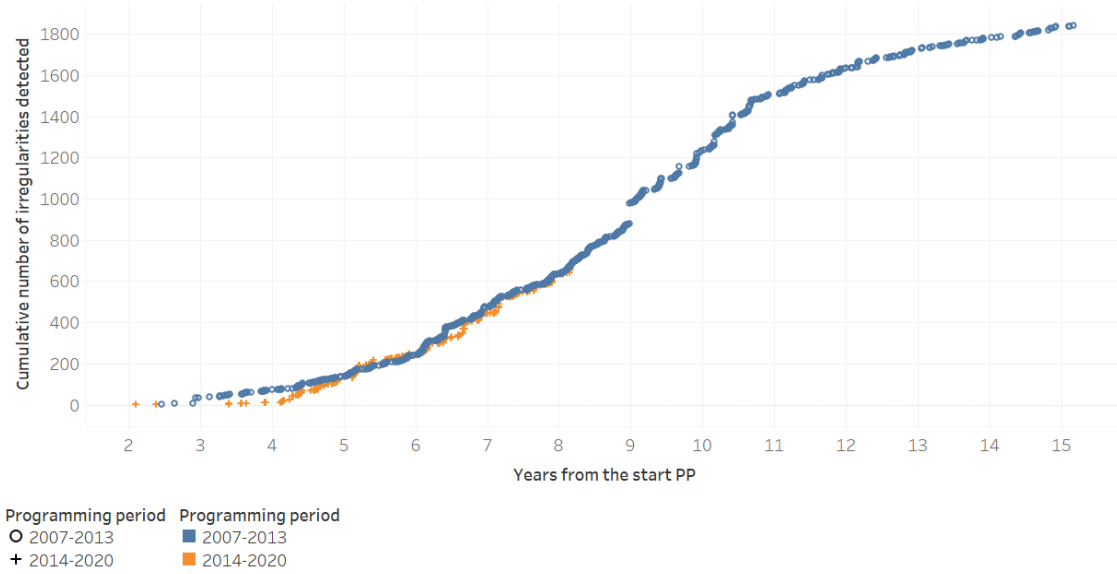
The following graphs provide a more precise comparison, based also on the actual date of reporting<sup>84</sup>. This comparison is affected by the fact that the irregularities related to PP 2007-2013 are more 'mature' than irregularities related to PP 2014-2020, which have only just recently been reported. The number of irregularities related to PP 2007-2013 and the financial amounts involved are the result of several years of investigation (after detection). This brought into the picture additional information to: (i) confirm or refute the hypothesis that an irregularity had been perpetrated<sup>85</sup>; (ii) classify the irregularity (as fraudulent or non-fraudulent); (iii) to quantify the financial amounts actually involved, etc.

<sup>83</sup> Tables CP7 and CP8 include irregularities corresponding to the year with which the irregularity is associated, regardless of when it was reported. Typically, the irregularities reported during the first months of year x+1 refer to the year x. However, there can be cases where an irregularity reported later during the year x+1 is still associated with year x. In order to take this factor into consideration, all subsequent comparisons are based on irregularities associated with the first 8 years of implementation (2007-2014 – for PP 2007-2013 - or 2014-2021– for PP 2014-2020) AND reported before 8 March 2015 (for PP 2007-2013) or 8 March 2022 (for PP 2014-2020). See also next footnote. Differences between figures reported in Tables CP7 and CP8 and figures reported later in this section may depend also on whether or not the fisheries policy is included.

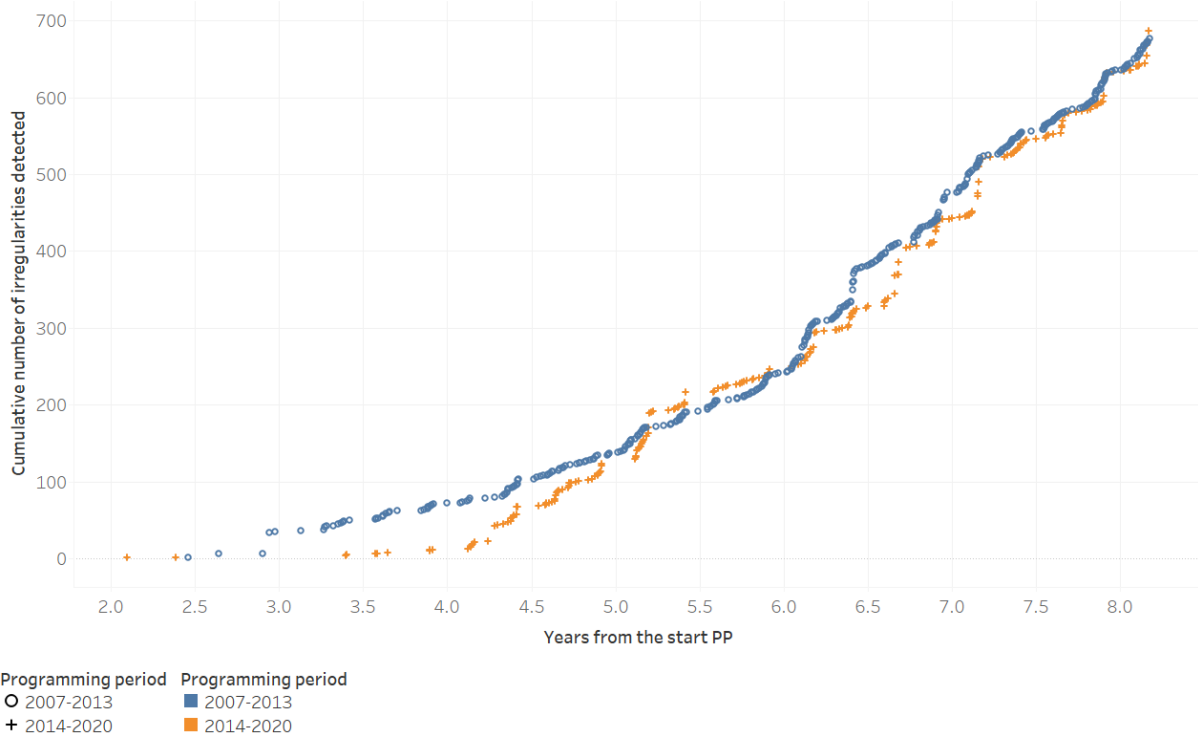
<sup>84</sup> For PP 2014-2020, irregularities are considered if they were reported before 8 March 2022, which is the date when data was extracted from the irregularities management system (IMS) for this analysis. This does not include irregularities referring to the year 2022. For PP 2007-2013, irregularities reported before 8 March 2015 are considered, in order to improve comparability. This does not include irregularities referring to the year 2015 or later.

<sup>85</sup> For example, it is possible that data related to PP 2014-2020 now includes a number of irregularities that in the following years will be cancelled (as investigations may ascertain that no irregularity was committed). Irregularities related to PP 2007-2013 have already undergone this process, as 11-15 years have passed from the initial reporting. The same applies to the classification as fraudulent or non-fraudulent, etc.

Graph CP1: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities reported as fraudulent (EU27)



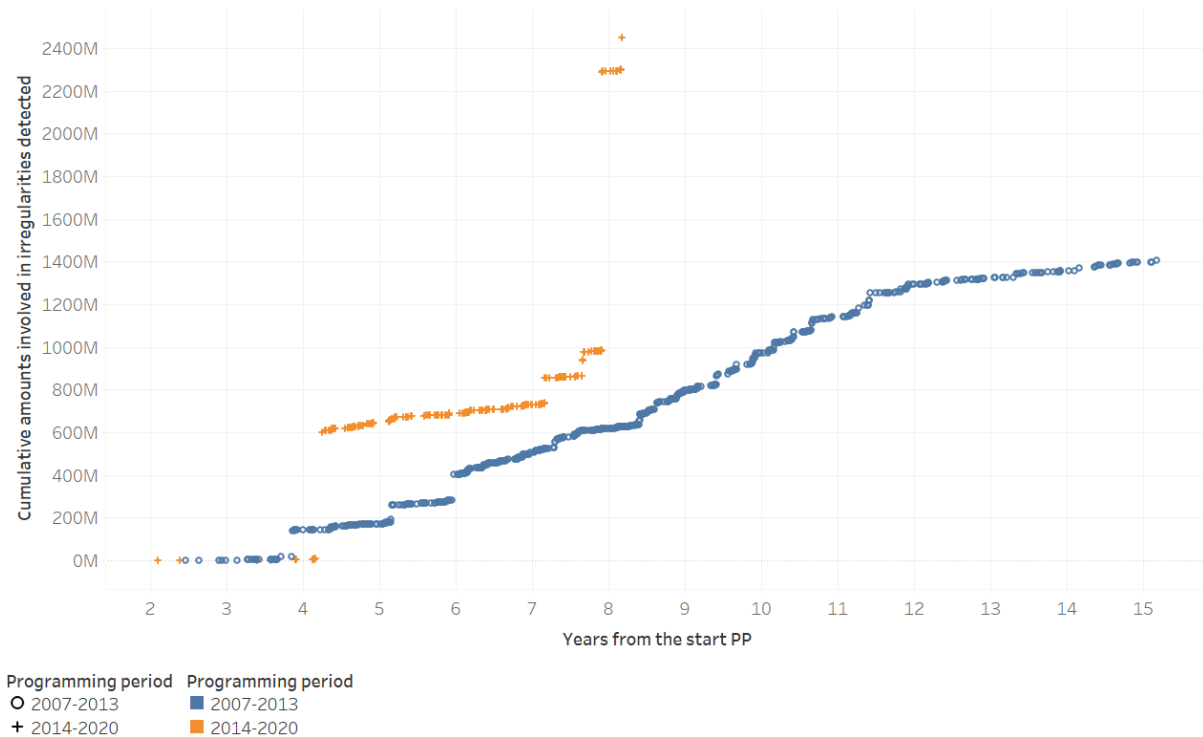
Graph CP2: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities reported as fraudulent (EU27) - Zoom on the first years of the programming period



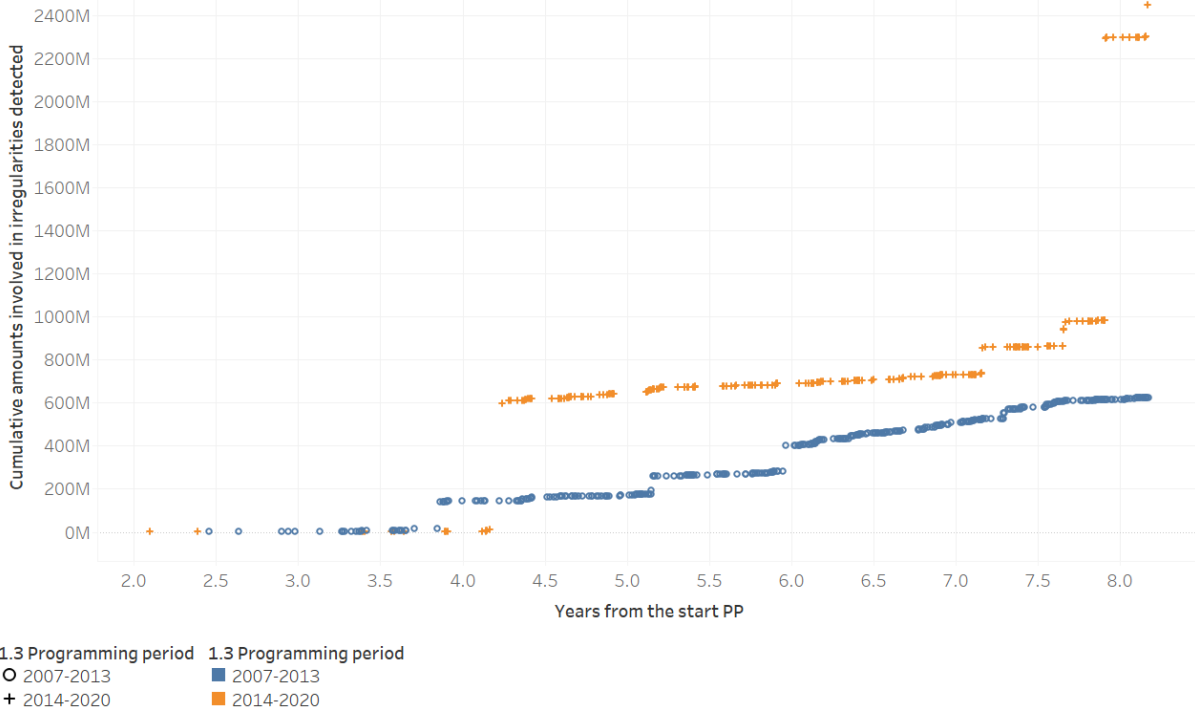
As shown by Graphs CP1 and CP2 above, **the number of irregularities reported as fraudulent was similar for PP 2014-2020 and PP 2007-2013**, after a comparable period from the start of the programming periods. There was a slower start of reporting for the current programming period, but, during the fifth year of implementation, there was a strong acceleration that filled the gap. The comparison is more difficult for financial amounts (see Graphs CP3 and CP4 below). The financial amounts reported for PP 2014-2020 were much higher than for the previous programming period, because there were two noticeable jumps during the fifth and eighth years of implementation. The first upswing was due to the **two**

cases Slovakia reported for the ERDF, which totalled about EUR 590 million. The second jump was due to the case Romania reported for the ERDF, accounting for EUR 1 270 million, and two CF irregularities reported by Slovakia and Romania, accounting together for EUR 190 million (see Section 4.2.1.1). However, PP 2007-2013 experienced similar – but much smaller - shifts, during the fourth and sixth years of implementation, due to two cases, accounting about EUR 120 million each (see Graph CP3 below). Taking these outliers out of the analysis, the financial amounts involved in the fraudulent irregularities reported for PP 2014-2020 were still higher than PP 2007-2013, but more aligned.

Graph CP3: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative amounts in irregularities reported as fraudulent (EU27)



Graph CP4: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative amounts in irregularities reported as fraudulent (EU27) - Zoom on the first years of the programming periods



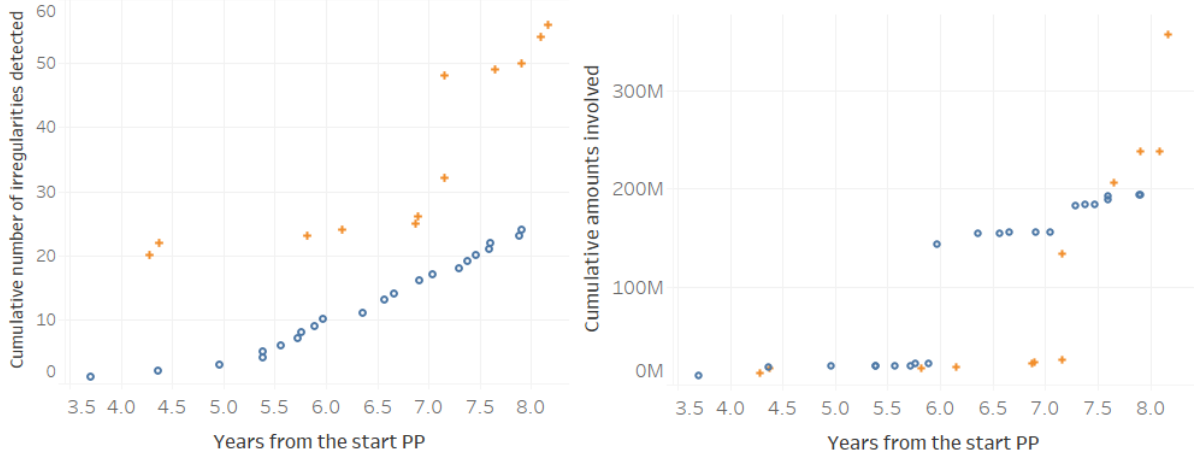
This was the outcome of **different patterns followed by different Funds**.

The irregularities reported as fraudulent for the CF and the ERDF significantly increased from PP 2007-2013 to PP 2014-2020 (see Graphs CP5 and CP6 below). **The increase in CF fraudulent irregularities was mainly due to detections in Slovakia and Romania**, while detections in **Hungary and Romania were the main contributors to the surge concerning the ERDF**.

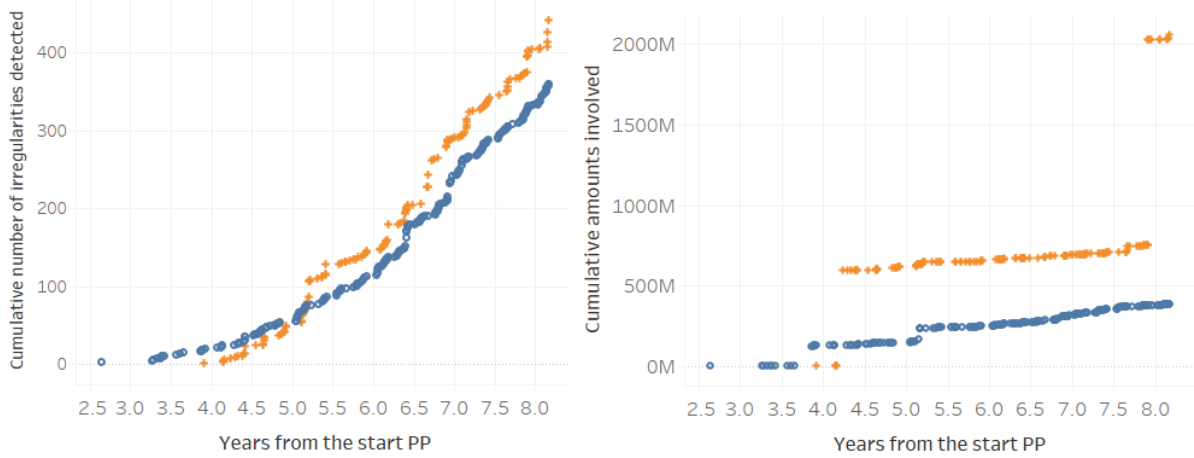
**For the ESF and the Fisheries Funds, the detection and reporting of fraudulent irregularities was lower than before** (see Graphs CP7 and CP8 below). ESF-related irregularities were lagging behind by a rather stable number of cases until the end of the sixth year. Then the gap widened due to an increase in irregularities for PP 2007-2013. This gap was mainly due to the decrease recorded in Germany, which was influenced by reporting practices<sup>86</sup>, and Romania. Also, the cumulated financial amounts associated with the ESF-related fraudulent irregularities for PP 2014-2020 were considerably lower than the amounts for PP 2007-2013, due to a strong increase during the seventh year of implementation of PP 2007-2013.

<sup>86</sup> The high number of detections Germany reported towards the end of the third year of implementation of PP 2007-2013 (year 2009) was largely due to the separate reporting of many interlinked cases, each involving less than EUR 10 000. This increased the number of cases for PP 2007-2013 and consequently the drop between PP 2007-2013 and 2014-2020.

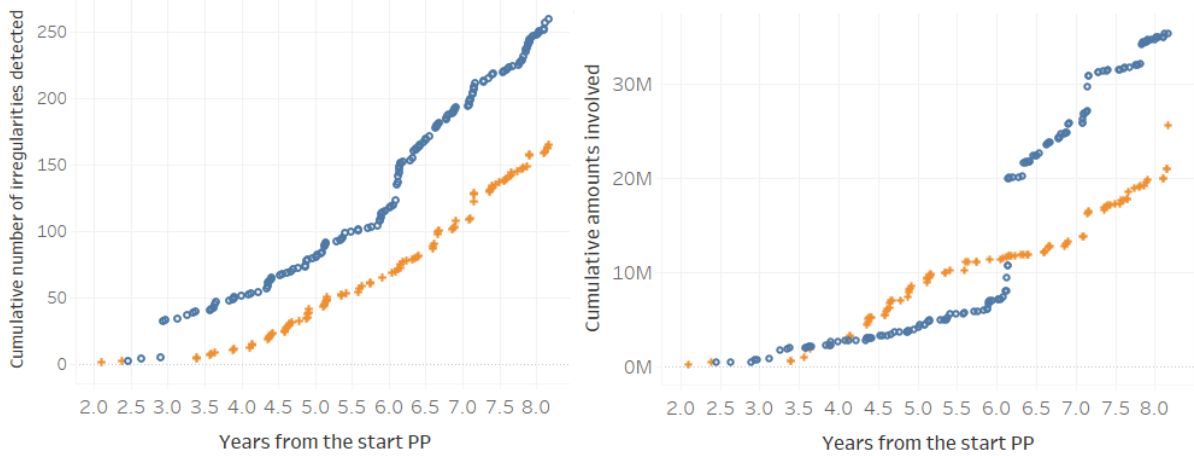
Graph CP5: CF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)

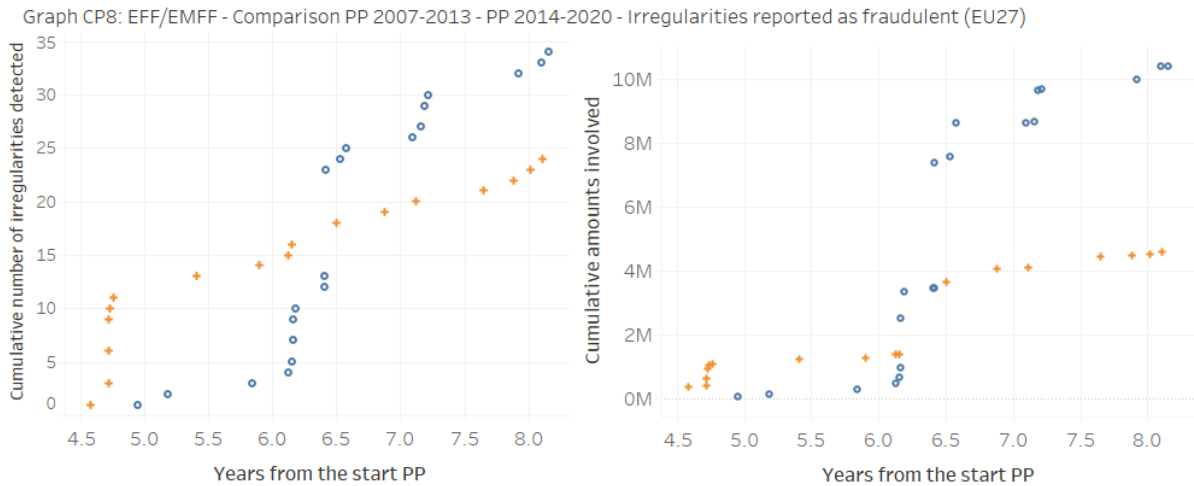


Graph CP6: ERDF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)



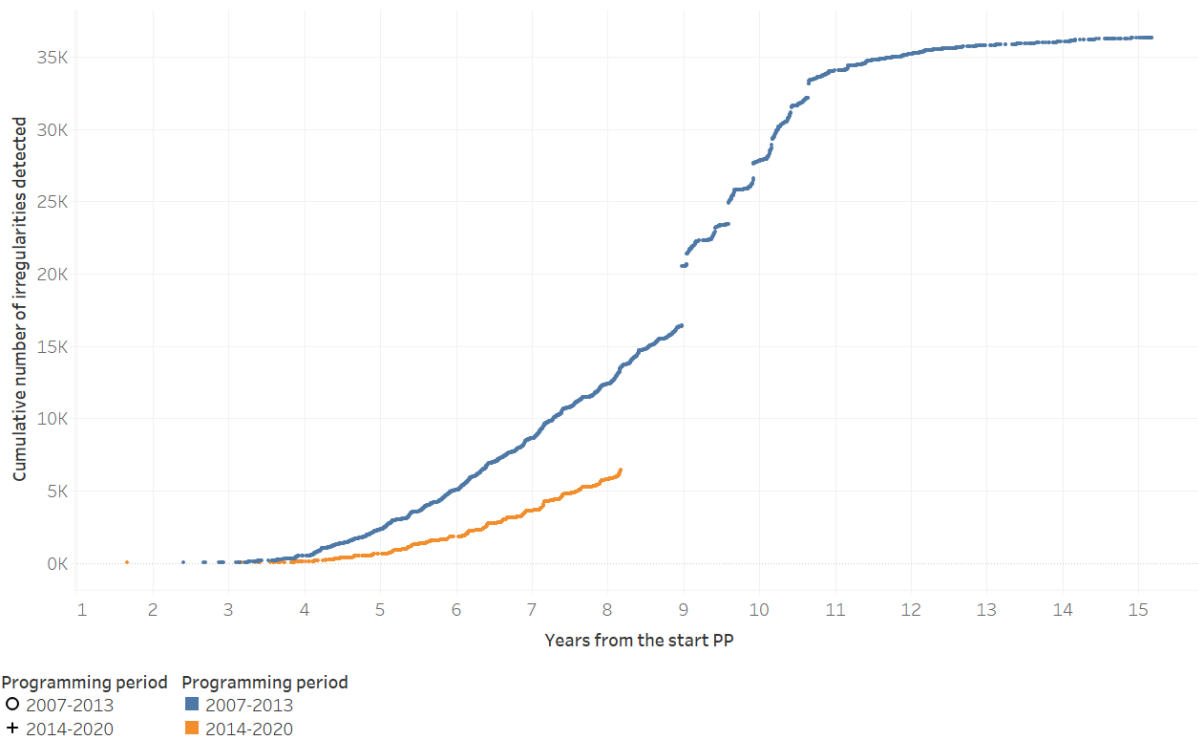
Graph CP7: ESF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)





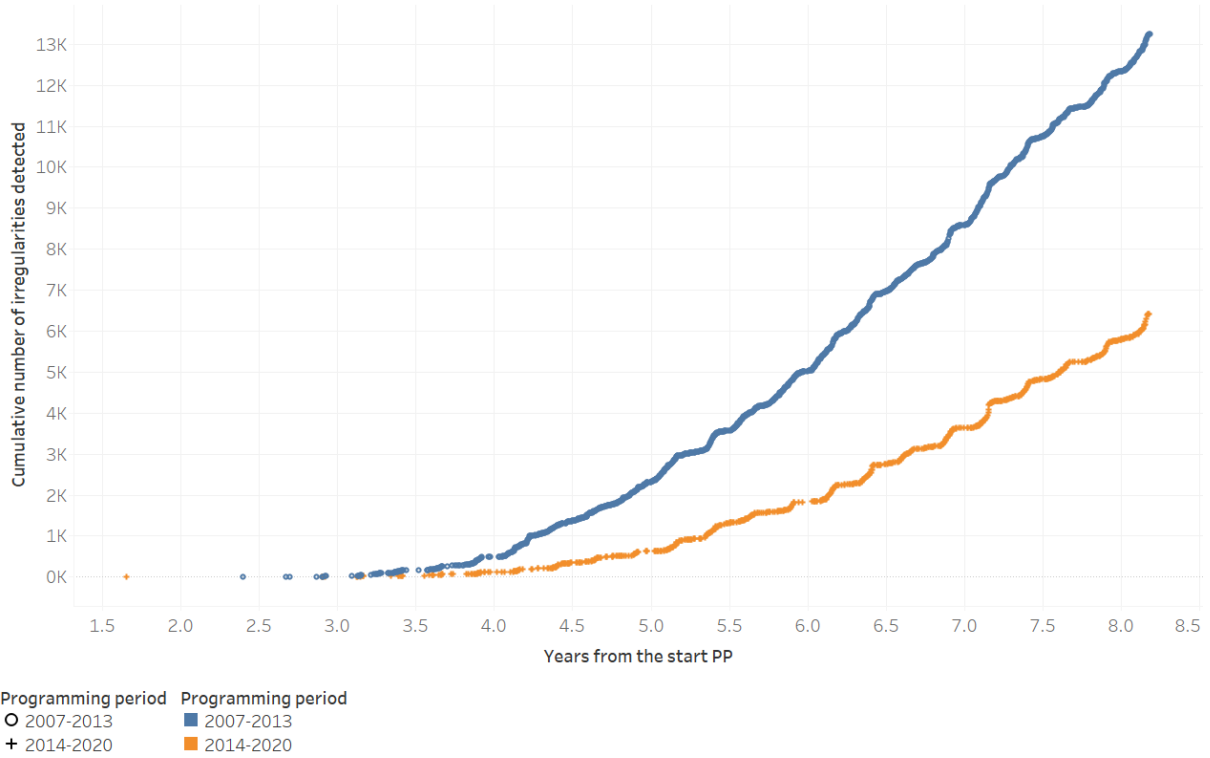
Focusing instead on the **non-fraudulent irregularities, the fall in the number of cases and the financial amounts reported after 8 years from the start of the programming period is striking** (see Graphs CP9-CP12 below). This significant difference between these two programming periods warrants further analysis.

Graph CP9: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities not reported as fraudulent (EU27)

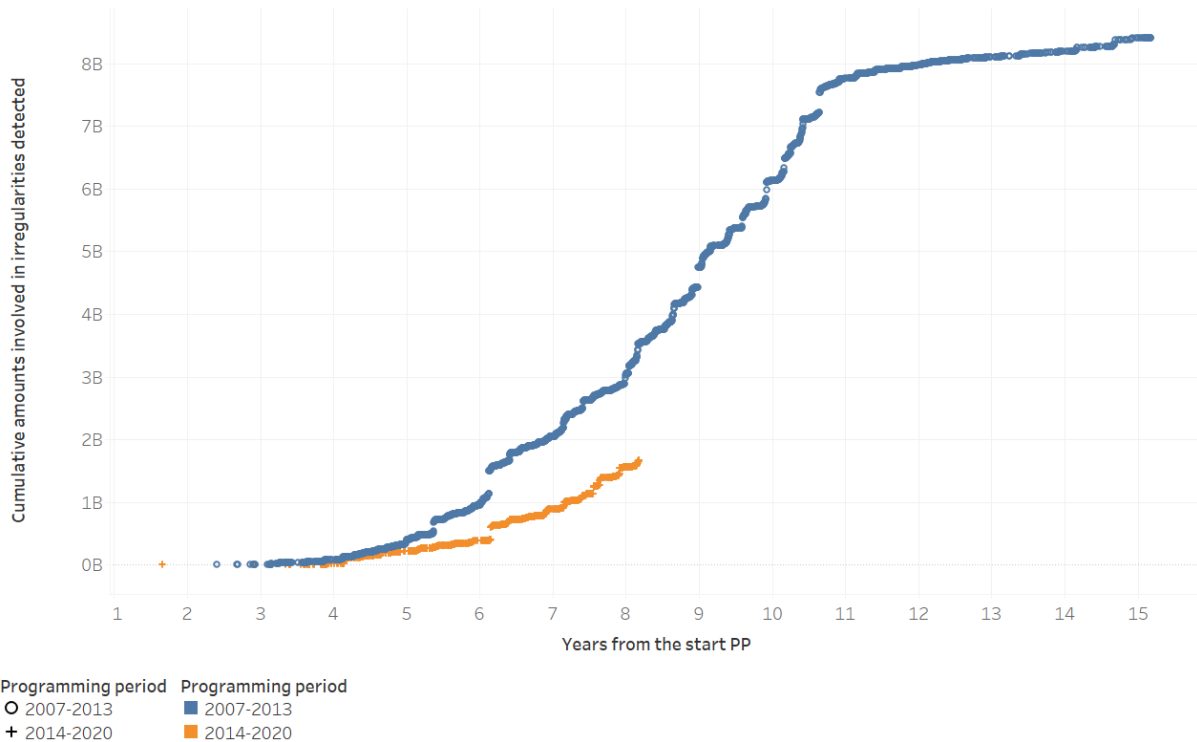




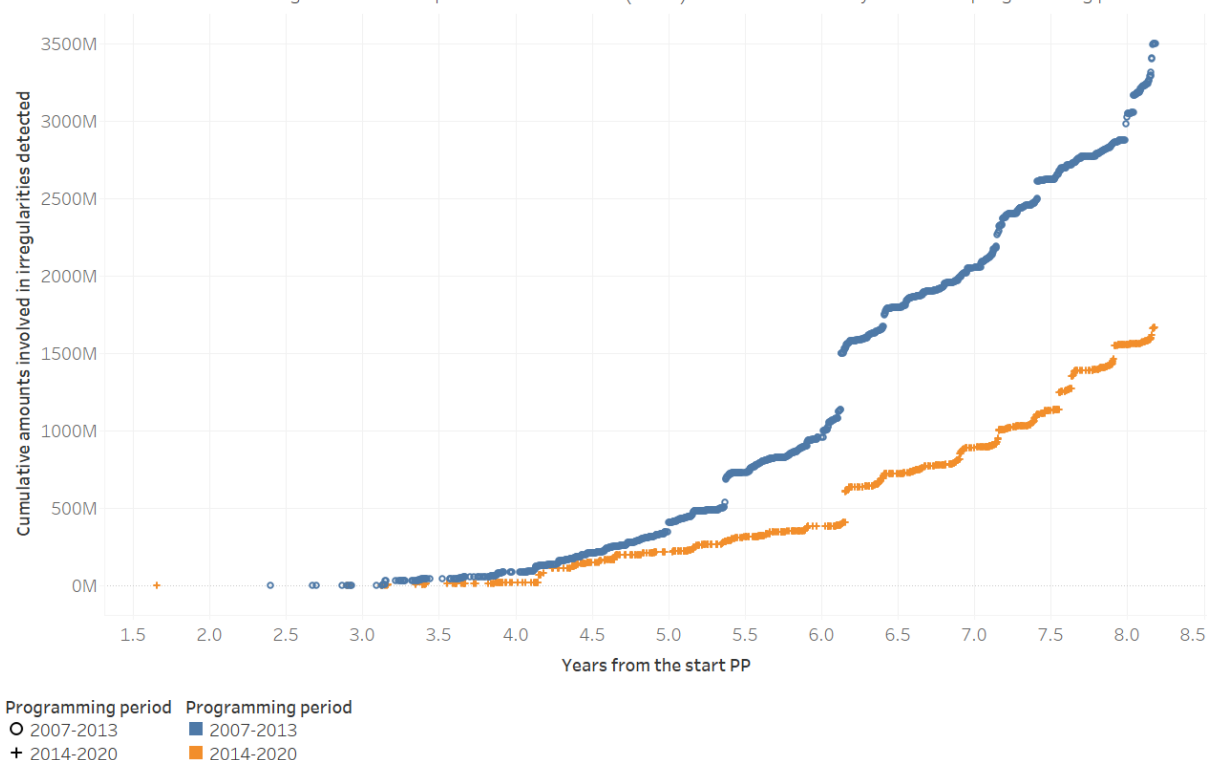
Graph CP10: Comparison between detection for PP 2007-2013 and PP 2014-2020  
 Cumulative number of irregularities not reported as fraudulent (EU27) - Zoom on the first years of the programming periods



Graph CP11: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative amounts in irregularities not reported as fraudulent (EU27)



Graph CP12: Comparison between detection for PP 2007-2013 and PP 2014-2020  
 Cumulative amounts in irregularities not reported as fraudulent (EU27) - Zoom on the first years of the programming periods

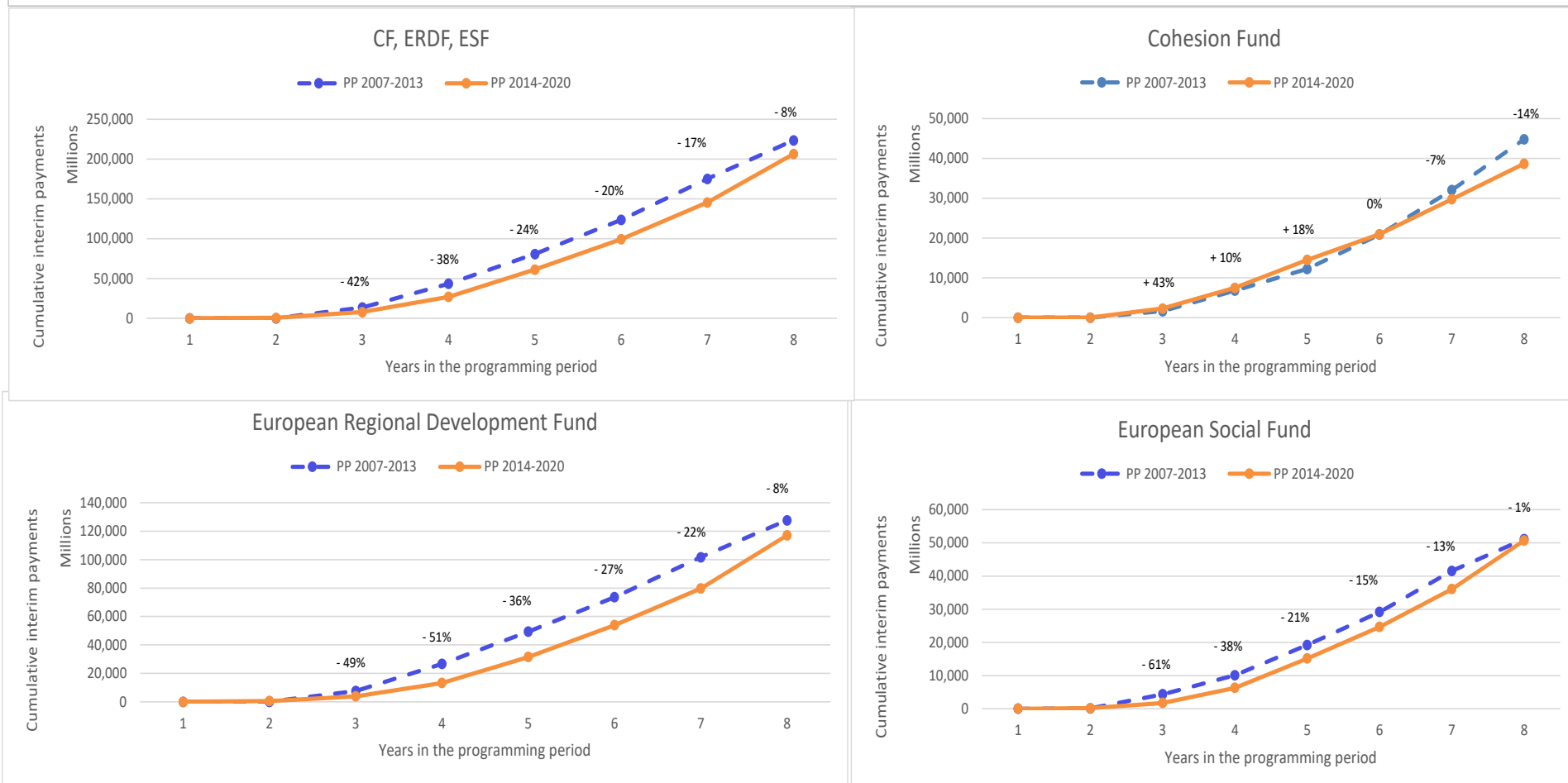


The number of irregularities not reported as fraudulent (and the related amounts) can be influenced by the state of implementation of the programming period. An indicator to gauge this state of implementation may be the interim payments that have been made to the Member States, as these payments should reflect the progression of eligible expenditure<sup>87</sup>. Graph CP13 below shows the situation concerning CF, ERDF and ESF. During the first 8 years from the start of PP 2014-2020 (from 2014 to 2021), the Member States have received fewer interim payments than during the first 8 years from the start of PP 2007-2013 (from 2007 to 2014). At the end of 2021, this (cumulative) gap still amounted to about -8% and it had been higher before (see Graph CP13 below). However, at least part of this gap could simply be due to the fact that interim payments are limited to 90% of eligible expenditure and the remaining 10 % is released after the yearly examination and acceptance of the accounts. As such, this would not reflect delayed implementation<sup>88</sup>. Overall, **these findings suggest that the dynamics of the gap in interim payments might explain some of the difference in the number of non-fraudulent irregularities, but certainly not all of it** (as the total difference in detection is about -50% - see Table CP8 and Graph CP10 above).

<sup>87</sup> It should be noted that PP 2014-2020 brought in an ‘annual accounts’ system. The accounting year starts on 1 July and ends on 30 June (except for the first accounting period). This might have changed the time gap between the actual occurrence of expenses and interim payments by the Commission. If the gap increased, at least part of the difference in trends in interim payments for the two programming periods may be due to the difference in the reimbursement mechanisms rather than actual delays in implementation.

<sup>88</sup> As mentioned, PP 2014-2020 brought in an ‘annual accounts’ system. In this new framework, reimbursement of interim payments is limited to 90 % of the amount resulting from applying the relevant co-financing rate to the expenditure declared in the payment request. However, the remaining 10 % is released after the yearly examination and acceptance of the accounts. If this 10% is not attributed to the same year of the declaration of expenditure, it generates a slower pace of interim payments, which is not the result of a slower implementation of the programme.

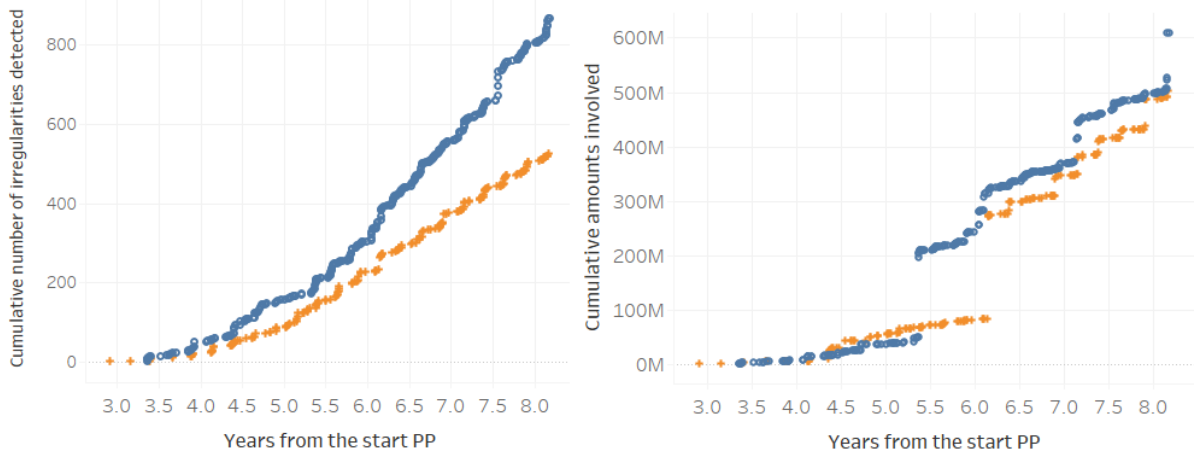
Graph CP13: Cumulative interim payments to the Member States during the first 8 years of the programming periods (EU27) <sup>(1)</sup>



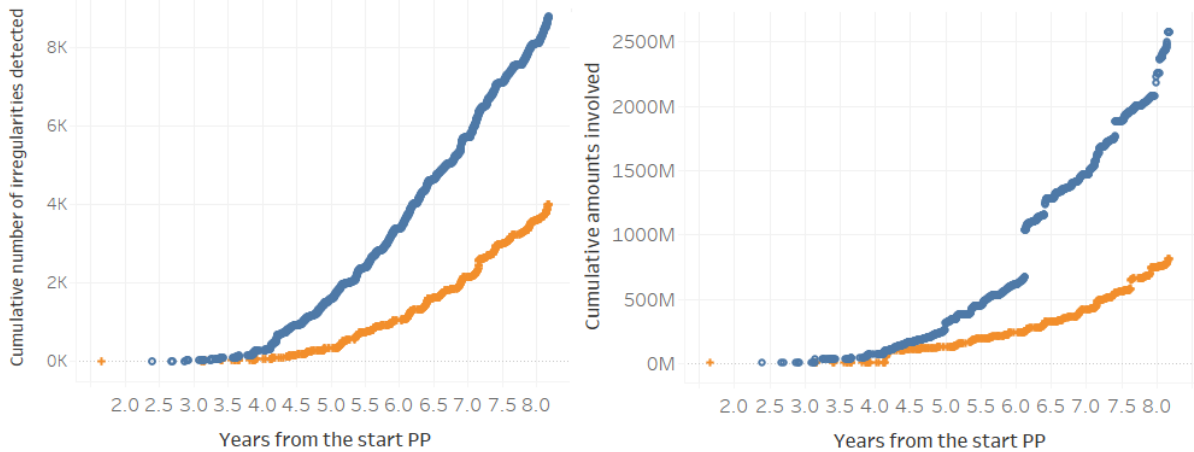
(1) For PP 2014-2020, the net interim payments (net of recovery of ineligible expenses) are considered.

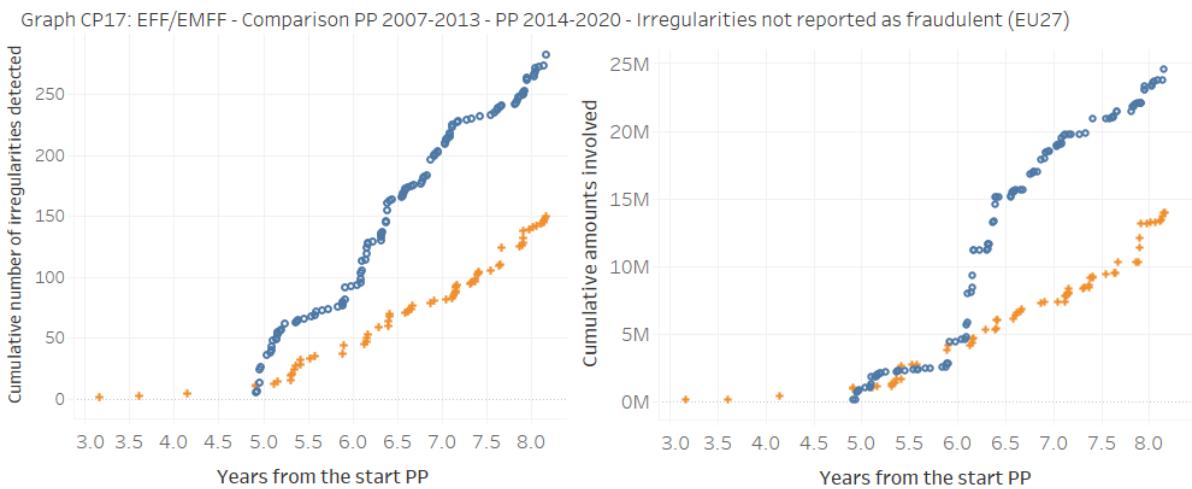
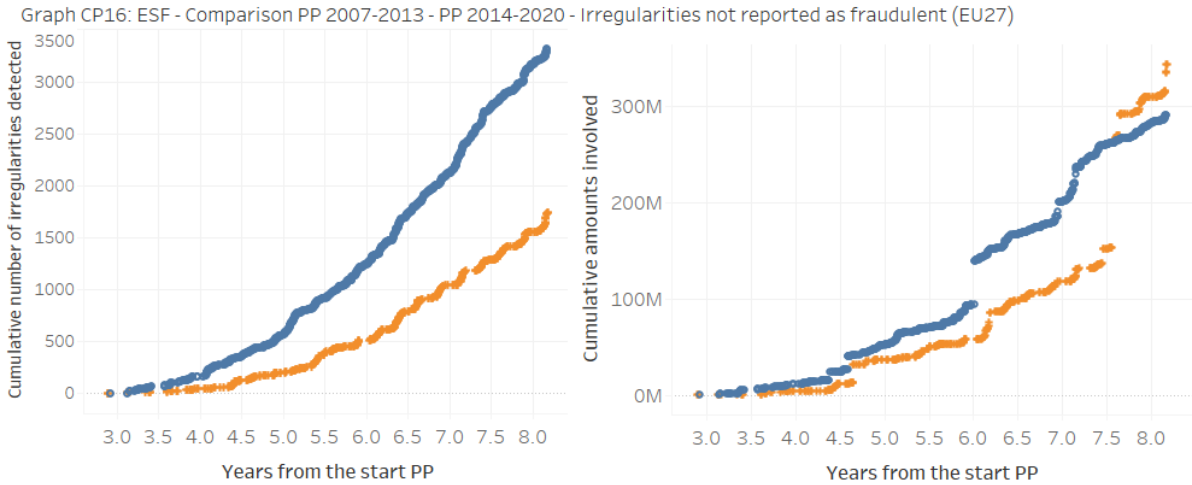
In Graphs CP14-CP17 below, the irregularities not reported as fraudulent are presented by Fund. **The widest gap is recorded for the ERDF (-54%).** Also for the CF and the ESF, there were significant gaps with respect to PP 2007-2013, even if they were not as wide as for the ERDF (-39% for the CF, -48% for the ESF). For the CF, the financial amounts reported in relation to PP 2014-2020 were not far from those related to PP 2007-2013. Then, during 2021, the gap suddenly rose. For the ESF, the negative gap steadily widened, in terms of number of irregularities. The gap in terms of financial amounts was closed by one ESF irregularity reported by Greece, accounting for EUR 108 million. For the Fisheries Funds, the gap in terms of numbers was in line with the other Funds (-47%), but this was based on far fewer cases. The curves of the financial amounts overlap until the end of the sixth year, before diverging due to a sudden upswing of the financial amounts related to PP 2007-2013.

Graph CP14: CF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities not reported as fraudulent (EU27)



Graph CP15: ERDF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities not reported as fraudulent (EU27)



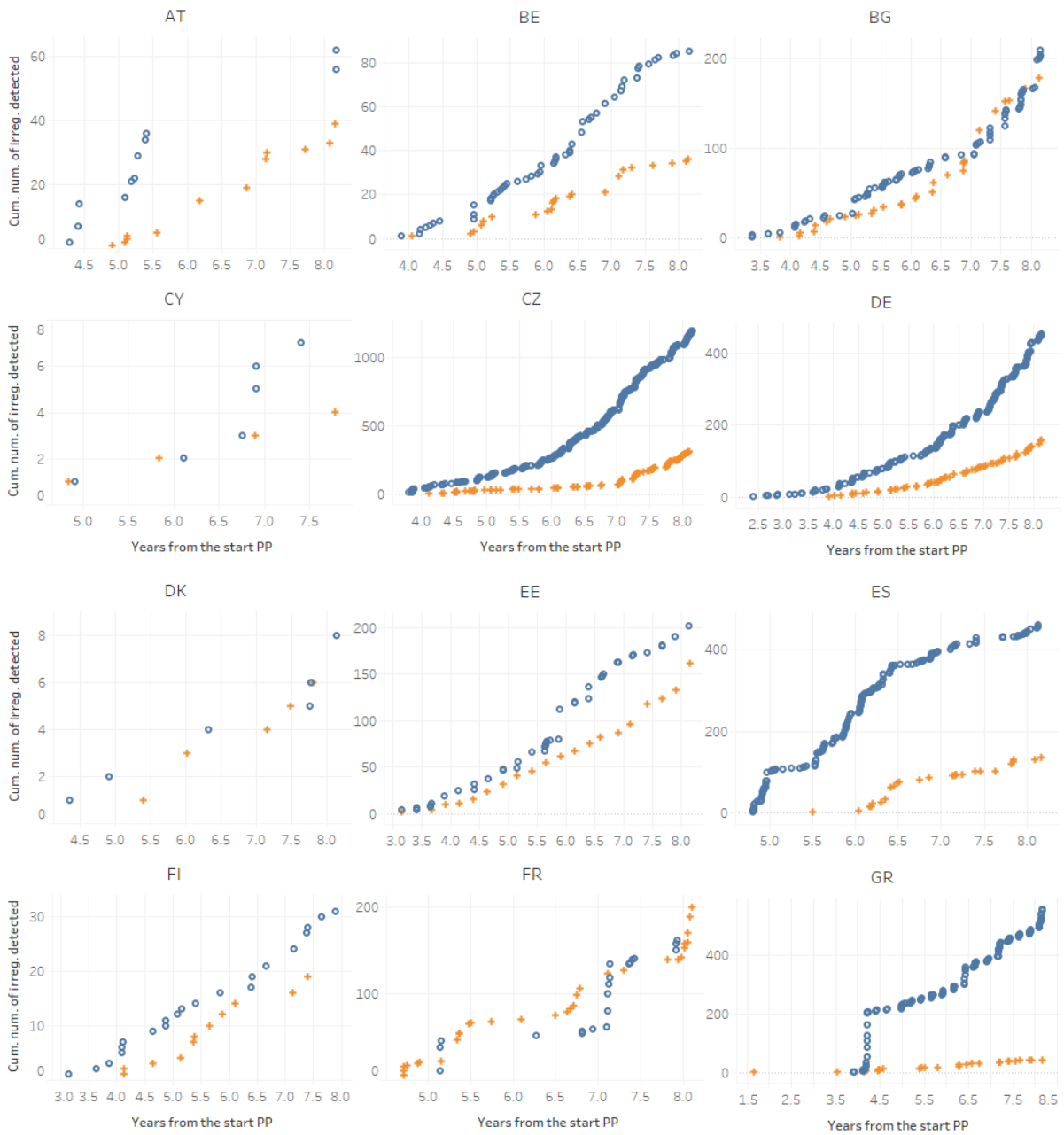


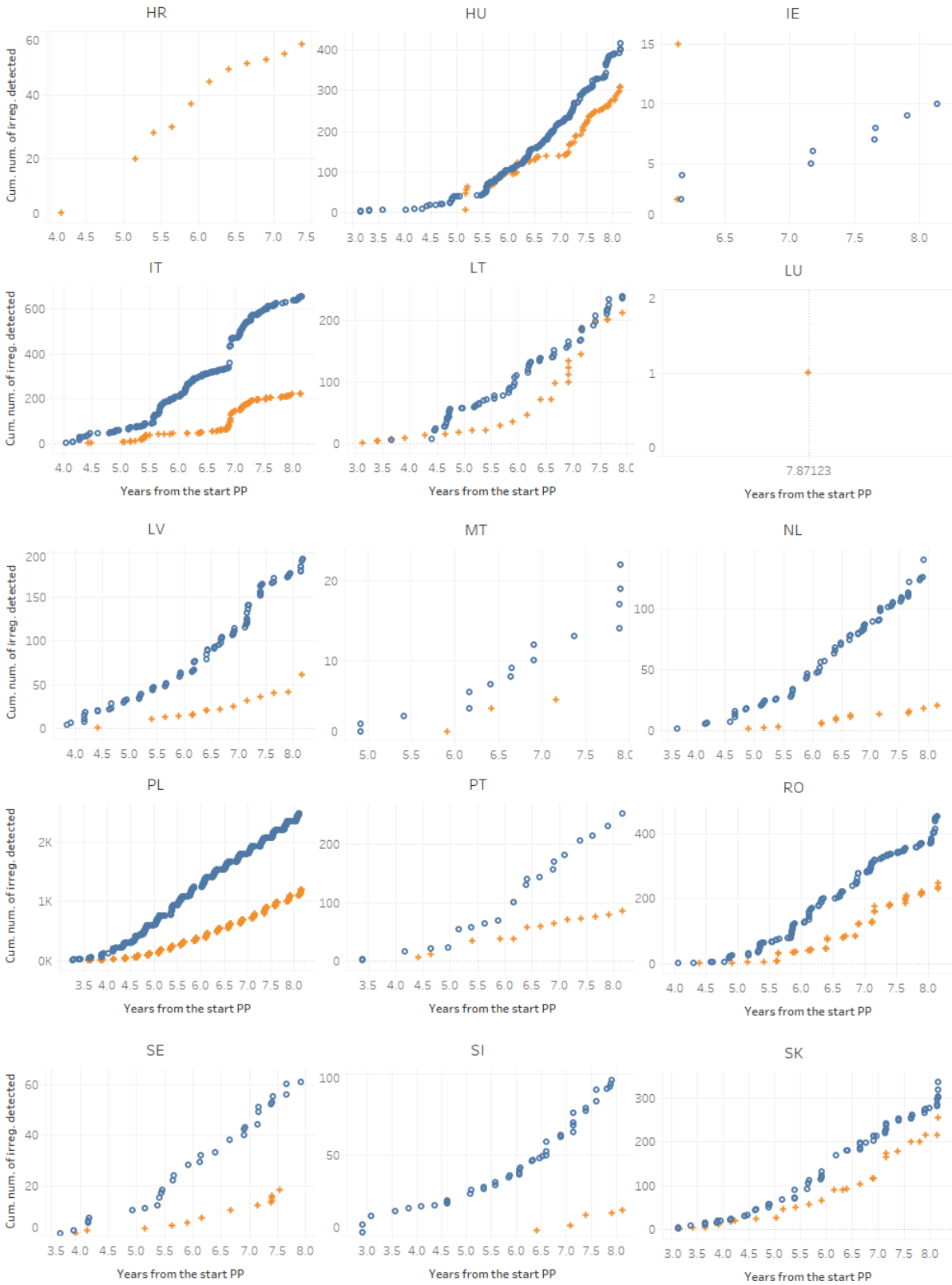
Progr. per.  
 ■ 2007-2013    ○ 2007-2013  
 ■ 2014-2020    + 2014-2020

Given that ERDF showed the widest gap between PP 2007-2013 and PP 2014-2020, Graph CP18 below shows the comparison, Member State by Member State, in terms of number of irregularities not reported as fraudulent, with specific reference to this Fund. Graph CP19 below focuses on the irregular financial amounts.

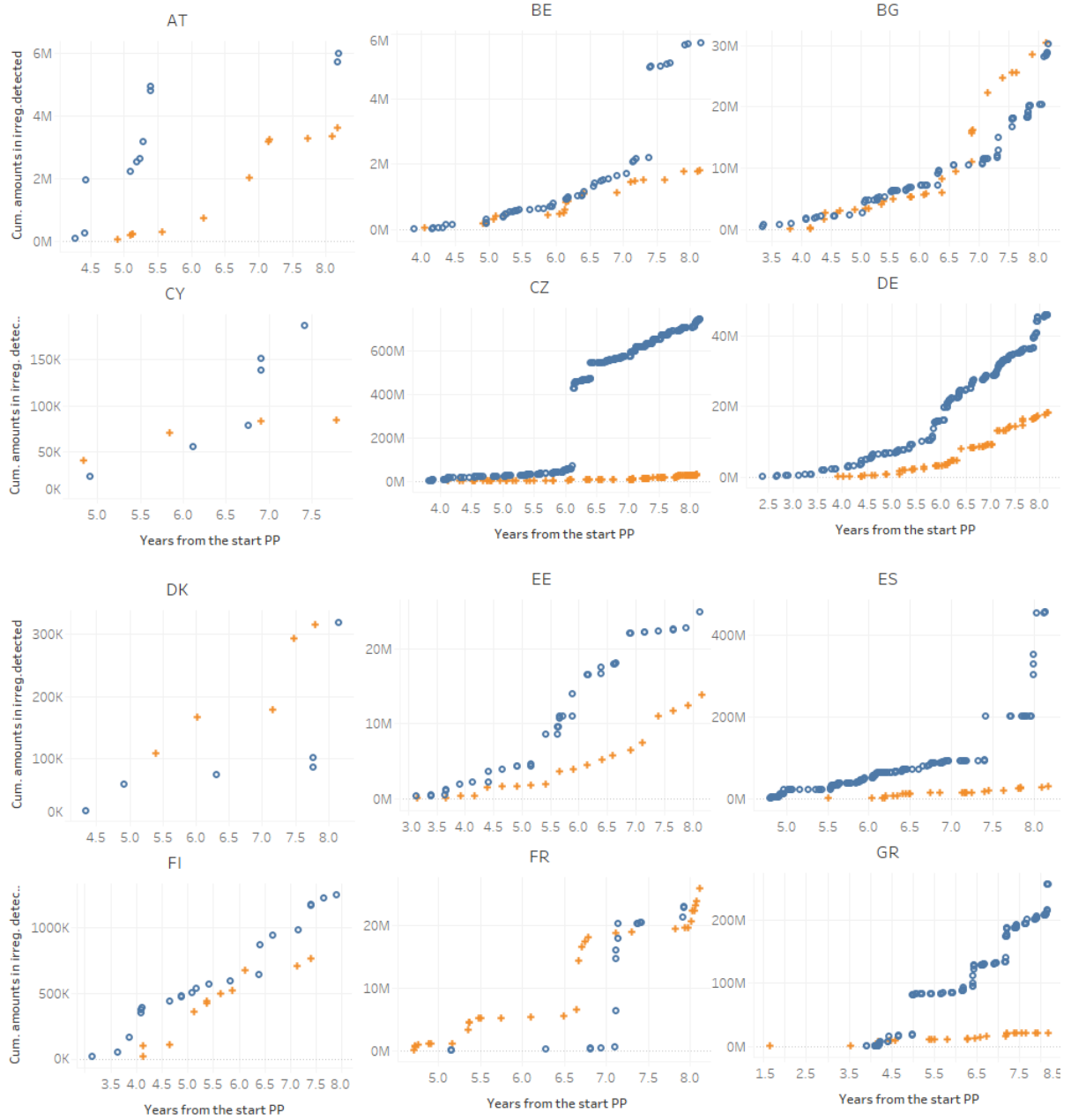
For the majority of Member States, the numbers of non-fraudulent irregularities related to the two programming periods have been on persistently diverging paths (see Graph CP18 below). There are a few exceptions, such as Bulgaria, France, Croatia, Lithuania and Slovakia.

Graph CP18: ERDF comparison PP 2007-2013 - PP 2014-2020 by Member State  
Irregularities not reported as fraudulent

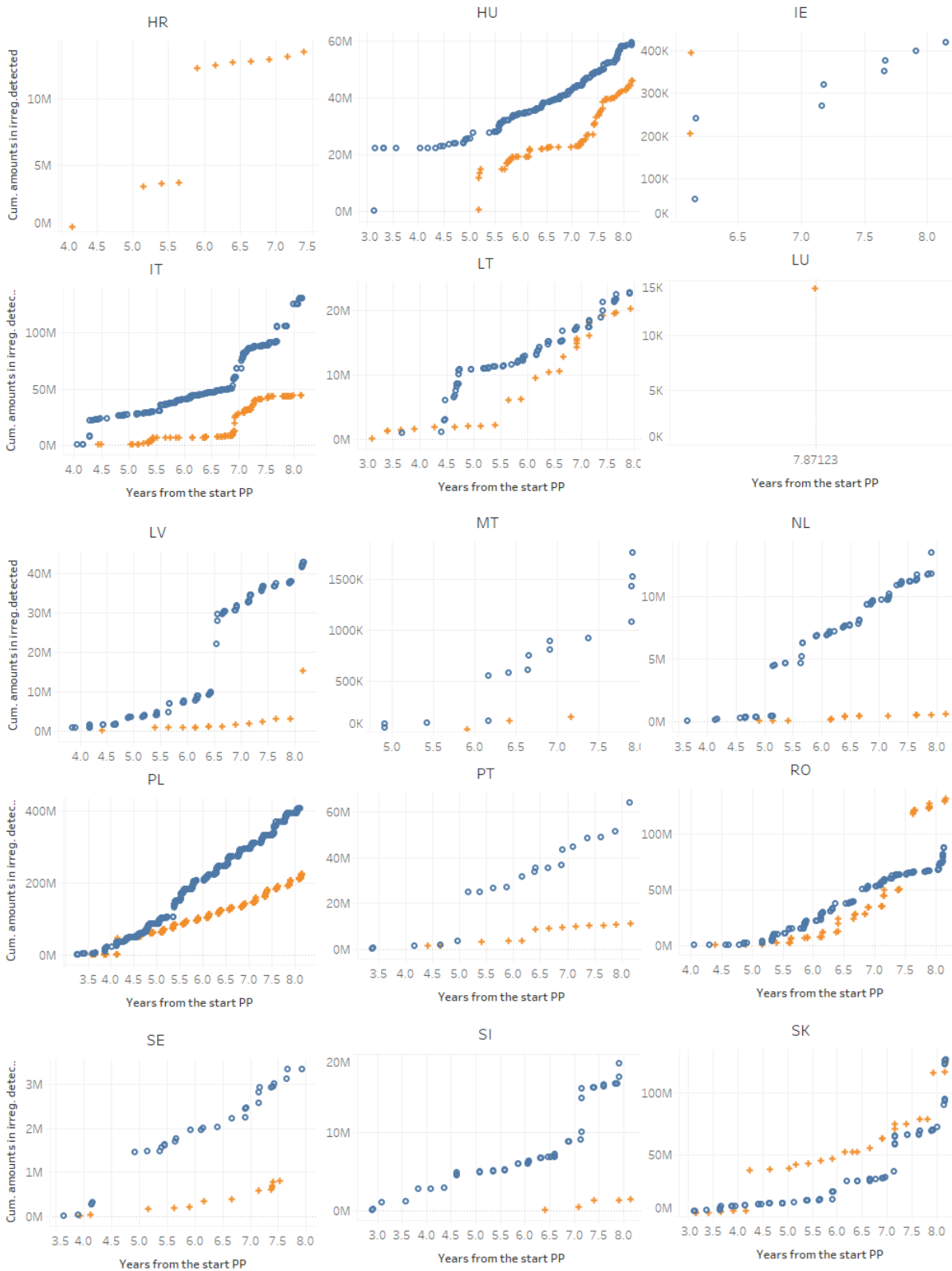




Graph CP19: Comparison PP 2007-2013 - PP 2014-2020: ERDF  
 Amounts involved in irregularities not reported as fraudulent







With general reference to the cohesion and fisheries policies, **a specific analysis has been carried out**, based on the non-fraudulent irregularities reported by the Member States, until 2020 included. This analysis identifies a number of potential explanations that may cover a significant part of this strong decline. The hypotheses reported below are based on the findings of this analysis.

For all the Funds, **the competent national authorities should build on this analysis**, to assess the extent to which these potential explanations and other possible explanations actually apply to their operational programmes, with the aim of implementing corrective measures in case the decline may be due to less effective detection and reporting.

*Delays in the implementation of the operational programmes*

**As mentioned, delays in the implementation of the relevant operational programmes may explain part of the current gap.** At the end of 2020, the cumulative amount of interim payments received by the Member States during PP 2014-2020 was 17% lower than during the first seven years of PP 2017-2013 and it had been higher before. At the end of 2021, this difference decreased to -8% (see Graph CP13 above).

*Changes in the reporting practices for irregularities under EUR 10 000*

**In general, Member States are requested to communicate irregularities involving financial amounts above EUR 10 000.** However, **several Member States reported a number of irregularities involving financial amounts below this threshold.** Apart from typographical errors or mis-interpretation of the reporting rules, there may be different reasons why some Member States reported many more *'below-the-threshold'* irregularities than others did:

- An irregularity may consist of irregular operations which are interlinked and whose total financial impact exceeds EUR 10 000, even though each operation remains below the threshold.<sup>89</sup> Some reporting authorities may have chosen to report these irregularities separately, while other Member States may have combined them into a single irregularity.
- The competent national authority reported the case because the initial estimation of the irregular financial amounts exceeded EUR 10 000, but subsequent updates lowered these financial amounts below the threshold.
- The competent national authority reported the irregularity with a provisional estimation under EUR 10 000, pending the exact quantification of the financial amount involved. However, at the end of the assessment, the financial amounts involved did not increase above the threshold.

**Part of the decrease in non-fraudulent irregularities may be explained by a possible change in the reporting practices of some authorities for irregularities with less than EUR 10 000 involved.** At the end of 2020, there was a clear difference between PP 2007-2013 and PP 2014-2020, in terms of non-fraudulent irregularities with financial amount below the EUR 10 000 threshold. During PP 2007-2013, some reporting authorities may have been communicating irregularities also when the financial amounts involved were below EUR 10 000, despite the derogation. Then, they may have changed this practice during PP 2014-2020 or other reporting authorities may have stepped in. Already during the meeting of May 2019 of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF), OLAF attracted the attention of all Member States on the practice of the reporting of *'below-threshold'* irregularities and on how this varied across the Member States. A change in the frequency or in the reporting practices (from separate to aggregate reporting) concerning *'small'* interlinked irregularities could be an additional contributing factor.

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<sup>89</sup> See Sections 8.1 and 9.3 of the *'Handbook on Reporting of Irregularities in shared management'*.

*Increase in the use of Simplified Cost Options (SCO)*

**For PP 2014-2020, the possibility to use SCO has been extended, but the impact depends on the extent to which implementing partners used this possibility.** For PP 2007-2013, about 7% of the declared ESF expenditure was under SCOs, differing widely from one Member State to another. According to estimates made in 2016 and 2018, for PP 2014-2020, this percentage is expected to rise to 33-35% for the ESF by the end of the programming period. However, the expectation concerning the percentage of the ERDF-CF budget covered by SCOs is much lower, at 4%.<sup>90</sup> Strong differences between Member States are expected<sup>91</sup>.

Consequently, **for the ESF, the increase in the percentage of expenditure covered by SCOs (from 7% to 33%) may be a significant factor contributing to the drop in non-fraudulent irregularities.** However, it also depends on (i) whether the estimated increase in the use of SCOs is actually materialising; (ii) to what extent the wrong implementation of SCOs methodologies brought to errors; (iii) to what extent the increased use of SCOs will concern projects that are more relevant for irregularity reporting<sup>92</sup>; and (iv) when, during the programming period, adopting more SCOs can have a greater impact on patterns of irregularities.

**The violations concerning the eligibility of the expenditure/action are experiencing the biggest drop. This may support the hypothesis that the increase in the use of SCOs is contributing to the drop in non-fraudulent irregularities.** With reference to non-fraudulent irregularities concerning ESF, at the end of 2020, eligibility violations dropped from about 1 300 for the first seven years of PP 2007-2013 to about 100 for PP 2014-2020. Simplification due to the use of financing not linked to costs and SCOs may be contributing to this trend. However, the adoption of SCOs should be accompanied by more stringent controls on the implementation of the action, which could be expected to lead to the detection of more infringements of the contract provisions/rules. Consistently, at the end of 2020, this type of violations declined to a much lesser extent than eligibility infringements (from about 500 to about 350).

*Delayed adaptation to the change in a derogation to reporting non-fraudulent irregularities*

**In 2009, there was a significant change in the reporting Regulation.** Commission Regulation n. 846 of 1 September 2009 changed the derogation related to the reporting for non-fraudulent irregularities detected and corrected by the managing authority, before expenditure being declared to the Commission.

Before the change, for the derogation to apply, detection and correction should have taken place *'before any payment to the beneficiary of the public contribution and before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission'*. After the change, the derogation has been broadened, as it became enough that detection and

<sup>90</sup> The estimated amount to expenditure covered by SCOs increased to 4.4% after the introduction of the Omnibus Regulation in August 2018.

<sup>91</sup> *'Simplified Cost Options in the European Social Fund - Promoting simplification and result-orientation'*: working document prepared by the European Commission Services, December 2016

*Use and intended use of simplified cost options in European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Agricultural Fund for Rural Development (EAFRD)*: study commissioned by Directorate General for Regional and Urban Policy of the European Commission, June 2018

<sup>92</sup> As mentioned, the Member States are only obliged to report irregularities with a financial amount over EUR 10 000. If SCOs tend to be used more for smaller projects, this would undermine the argument that SCOs were responsible for the drop of reported irregularities.

correction took place ‘before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission’.<sup>93</sup>

**However, for most of the irregularities reported during the two programming periods, the derogation was the same.** It could be argued that the change in the derogation helped to lower the number of reported non-fraudulent irregularities during PP 2014-2020 (more irregularities covered by the derogation). However, this should not be the case, because most of the irregularities related to PP 2007-2013 were reported when the ‘new’ derogation was already in place (after September 2009).

**It cannot be excluded that some authorities did not immediately adapt their reporting practices to the ‘new’ derogation and kept on applying the previous version during PP 2007-2013.** In any case, the effect would be limited to irregularities detected between any payment to the beneficiary and the inclusion of the expenditure in a statement of expenditure to the Commission.

#### *Introduction of the annual accounts and the exclusion of ongoing assessments*

**As from PP 2014-2020, the Member States can exclude from the annual accounts expenditure where there is an ongoing assessment about the legality and regularity. Through this exclusion, the Member States avoid a reduction in the contribution from a given Fund, even in case of irregularities. The Member States are actually using this possibility.** As from PP 2014-2020, each year, the Member State prepares the accounts, which are examined and accepted by the Commission.<sup>94</sup> In the framework of the preparation of the annual accounts, article 137(2) of the Common Provision Regulation<sup>95</sup> provides the Member State with the possibility to exclude from the annual accounts expenditure that has already been declared to the Commission during the accounting year under closure, where there is an ongoing assessment about the legality and regularity of this expenditure. This expenditure is automatically recovered by the Commission during the current year, without this constituting a financial correction and without it reducing support from the Fund to the relevant operational programme. In case the assessment concludes that this expenditure is legal and regular, the Member State can re-introduce the expenditure in an application for interim payment in subsequent accounting years. Also where the assessment concludes that the expenditure was irregular, there is no financial correction and reduction in support from the Fund.

**The number of irregularities labelled as ‘decertified’ in IMS dropped from PP 2007-2013 to PP 2014-2020. This could be linked to the introduction of the annual accounts and the new possibility provided by article 137(2).** According to the IMS

<sup>93</sup> For the programming period 2007-2013, Commission Regulation 1828 of 8/12/2006 (article 28, paragraph 2., letter (c)), provided for the following derogation ‘cases which are detected and corrected by the managing authority or certifying authority before any payment to the beneficiary of the public contribution and before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission’.

Then, article 1(7)(b) of the Commission Regulation n. 846 of 1/9/2009 amended this derogation as ‘cases which are detected and corrected by the managing authority or certifying authority before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission’. This formulation has been kept in Regulation 1303 of 17/12/2013 (article 122, paragraph 2., letter (c)) for the programming period 2014-2020

<sup>94</sup> The accounting year starts on 1 July and ends on 30 June (except for the first accounting period). The certifying authority prepares the annual accounts for the operational programme. These accounts are then submitted to the Commission together with the management declaration of assurance, the annual summary of controls prepared by the managing authority, and the accompanying control report and audit opinion prepared by the audit authority. The Commission examines these documents, before issuing a yearly declaration of assurance.

<sup>95</sup> Regulation (EU) 1303/2013 of 17/12/2013

guidance, an irregularity should be labelled as ‘decertified’ in case the Member State excludes the related project from EU support.<sup>96</sup> Actually, during PP 2007-2013, many irregularities have been labelled as ‘decertified’ also when the Member State simply applied the financial correction, cancelling the amount involved in the irregularity from the operational programme (before reusing the same amount in the same operational programme). Comparing the first seven years of implementation of the programming periods, there was a significant decrease in the number of irregularities labelled as ‘decertified’, which may point to a decrease in the practice of withdrawing whole projects from EU funding or to unreported irregularities in relation to these projects (see below).

**The possibility offered by article 137(2) might explain part of the declined in the non-fraudulent irregularities reported by the Member States.** A number of hypotheses may be formulated:

1. **Some reporting authorities may have not communicated irregularities in IMS when the assessment of the excluded expenditure concluded that the expenditure was not legal and regular.** At the moment of the exclusion from the annual accounts, the Member State may not be in a position to report any irregularity in IMS, as the assessment is ongoing. However, at a later stage, the competent authority could conclude that an irregularity has taken place. Even if the expenditure had been excluded from the annual accounts, this irregularity should be reported, because it was detected after previous inclusion of the expenditure concerned in a payment application to the Commission (*i.e.* the original application for interim payment).
2. **Similarly, in the case of withdrawal of a whole project after exclusion of related expenditure following article 137(2),** some reporting authorities might have assessed that the reporting of any irregularity (ascertained at the end of the assessment) was not necessary, because the project was not funded by the EU budget any longer. This would not be correct.
3. **The annual accounts (and article 137(2)) may have introduced a more orderly treatment of irregular expenditure.** During PP 2007-2013, when there was no ‘annual accounts’ procedure, in a number of instances, in case of doubt about legality or regularity of the expenditure, the Member States could have resorted to cancelling part of or all EU support to certain projects, just to avoid pending issues with the Commission - which could lead to a ‘net financial correction’ - and to timely free resources for other projects. In IMS, the already reported irregularity would then be labelled as ‘decertified’. If this was the case, at least a subset of the ‘decertified’ irregularities in PP 2007-2013 could be related to regular expenditure, for which the final assessment would have resulted in the cancellation of the reported irregularity.

**During PP 2014-2020, the exclusion provided by article 137(2) can instead be used, at least in some cases.** The presentation of the annual account represents a moment when the Member State has to certify that the declared expenditure is free from irregularities. In the presence of a piece of expenditure whose legality and regularity is dubious, possibly because of ongoing audit work, the national competent authority has now the possibility of avoiding the start of any correction procedure - that could lead to a financial correction by the Commission - by simply putting the expenditure under assessment and withdrawing it from the accounts. This can be done only for expenditure declared during the accounting year whose accounts have not been presented yet. However, the window between the payment application and the presentation of the annual accounts can reach

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<sup>96</sup> ‘IMS User Manual 5: Create a case’ (2018), page 81

more than one year. Then, the decision about cancelling or not the EU support can be delayed until there is clarity about legality and regularity. Often, the excluded expenditure is eventually assessed as legal and regular.

4. **By putting expenditure under assessment (while excluding it from the annual accounts), the Member State may delay the communication of the irregularity.** If and when the assessments will be finalised with the first conclusion that expenditure is irregular, the communication in IMS will take place.<sup>97</sup> This can contribute to the current decline of non-fraudulent irregularities for PP 2014-2020, at least temporarily.

*Improved practices may also be contributing to the decrease*

**Under certain premises, after seven years of implementation (end of 2020), the combined effect of the above mentioned potential explanations would cover about two thirds of the EU-wide decline in reporting of non-fraudulent irregularities.** Of course, this is a rough estimation. However, this gives an idea of the possible contribution of these potential explanations.

**The influence of increased administrative capacity could also be considered.** There are no indicators to gauge the increase in the capability of the implementing bodies and of the beneficiaries and the impact that this could have had in terms of decrease of unintentional irregularities. However, also these could be contributing factors.

First of all, the legal framework for PP 2014-2020 requires the managing authorities to adopt **effective and proportionate anti-fraud measures that take into account the risks identified**<sup>98</sup>. This is more relevant for the detection of fraudulent irregularities, which have actually increased, despite the decrease of non-fraudulent irregularities. However, the risk assessments carried out by the relevant authorities and the ensuing mitigating measures may have also contributed to preventing non-fraudulent irregularities or to detecting them before expenditure is submitted to the Commission. The actual impact of these anti-fraud measures depends on the timeliness and quality of the underlying risk assessments and ensuing actions.

**At the end of 2020, the analysis of the fraudulent irregularities suggested that management and control systems detected irregularities at an earlier stage during PP 2014-2020.** As shown in Graphs CP1 and CP2 above, the number of irregularities reported as fraudulent was stable. At the end of 2020, the analysis of the time gap between the perpetration of the fraudulent irregularities and their detection suggested that this gap was shorter during PP 2014-2020 than during PP 2007-2013.<sup>99</sup>

**If this improvement applied also to non-fraudulent irregularities, a higher share of detected irregularities might have fallen under a derogation to reporting, because detected before inclusion of the expenditure in any statement to the Commission.** Fraudulent irregularities must be reported regardless of when they are detected. This allows a

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<sup>97</sup> However, the possibility to delay the communication of these irregularities is limited, because irregularities must be reported at the moment of the ‘first written assessment by a competent authority [...] concluding on the basis of specific facts that an irregularity has been committed, without prejudice to the possibility that this conclusion may subsequently have to be revised or withdrawn as a result of developments in the course of the administrative or judicial procedure’.

<sup>98</sup> Article 125(c) of the Common Provisions Regulation 1303/2013.

<sup>99</sup> This analysis was based on the comparison of the date when the irregularity was committed (or started) and the date when the irregularity was discovered (meaning when the first written assessment of a competent authority concludes that an irregularity has been committed, the so-called PACA). The irregularities where one of the two dates were missing (or where date of discovery precedes the data of perpetration) have been excluded from the analysis.

comprehensive analysis of the time gap. Consequently, the finding that Member States have become faster in detecting fraudulent irregularities may lead to the hypothesis that the Member States have been detecting more fraudulent irregularities before inclusion of the expenditure in a statement to the Commission. If this is true, another hypothesis can be made: this improvement may be having an influence also on the detection of non-fraudulent irregularities. This would support the potential explanation that at least part of the decrease in reported non-fraudulent irregularities may be due to improved capacity of the management and control systems: if the same non-fraudulent irregularity is detected after inclusion in a statement to the Commission, it must be reported in IMS, while if it is detected before inclusion, it must not be reported.

**Besides anti-fraud measures, other factors might have contributed to increase the administrative capacity.** The 2007-2013 national strategic reference frameworks (NSRF) have been replaced by the 2014-2020 partnership agreements. These agreements must present an **assessment of the administrative capacities of the authorities involved in implementing the ESI Funds** together with – where relevant – a summary of actions to improve these capacities. In some Member States, **the quality and experience of relevant authorities may have improved over the years, especially if these authorities did not change from one programming period to the other.** During time, methodologies may have been defined by the competent authorities to decrease the amount of unintentional irregularities, shortcomings may have been identified and corrected following national and EU audit work, administrative capacity may have been built, etc. The Commission has contributed with general capacity building actions and targeted remedial actions.

Another factor could be that **the beneficiaries that participate in the implementation of the projects during PP 2014-2020 might have participated to the projects also during PP 2007-2013.** This experience may make easier to avoid unintentional irregularities.

On the other side, **the COVID-19 outbreak could have brought in additional stress on the administrative capacity of the relevant players of the management and control systems.** This could contribute to the detection of more irregularities in the years to come.

#### 4.3. Specific analysis

With reference to the cohesion policy, this section covers the following aspects:

- How irregularities impacted on the different areas of this policy;
- What was the contribution of different types of irregularity.

##### 4.3.1. *Irregularities by area of the cohesion policy*

**The operational programmes financed under the EU cohesion policy are implemented along identified intervention fields.** These intervention fields change depending on the programming period. Annex 14 shows the 86 intervention fields for PP 2007-2013 and the 123 fields for PP 2014-2020. For the purpose of this analysis, Annex 14 introduces a grouping of these intervention fields in areas and sub-areas. The following sections analyse the reported irregularities along these areas and sub-areas, taking into consideration also the share of expenditure declared for the operations in the relevant intervention fields (see below for further explanations).

**Table CP9 below shows the fourteen areas in which the intervention fields have been grouped. Figures CP1 and CP2 below show how irregularities impacted on these areas, focusing on fraudulent and non-fraudulent cases, respectively.** Annex 14 shows which intervention field is associated to which area. The following analysis concerns the

irregularities under PP 2014-2020 only<sup>100</sup>. For the purpose of this analysis the area of information and communication technology is associated to the digital transition. The areas related to the protection of the environment, resource efficiency, the shift towards a low-carbon economy, climate change are associated to the green transition (see Table CP9 below)<sup>101</sup>. In Figures CP1 and CP2 below, the size of the squares is proportional to the number of fraudulent irregularities reported by the Member States. The darker the colour of the squares, the higher the financial amounts involved.<sup>102</sup>

Table CP9

	Areas	Short description
	Strengthening research, technological development and innovation	RTD&I
Digital transition	Enhancing accessibility to and use and quality of information and communication technologies	Info&Comm
Green transition	Supporting the shift towards a low-carbon economy in all sectors	LowCarbon
	Promoting climate change adaptation, risk prevention and management	Climate&Risk
	Preserving and protecting the environment and promoting resource efficiency	Environment
	Promoting sustainable transport and removing bottlenecks in key network infrastructures	Transport
	Promoting sustainable and quality employment and supporting labour mobility	Employ
	Promoting social inclusion, combating poverty and any discrimination	Inclusion
	Investment in education, training and vocational training for skills and lifelong learning	Education
	Enhancing competitiveness of small and medium sized enterprises	CompSME
	Culture and tourism	CultTour
	Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	PubbAmm
	Technical Assistance	TechAss
	Outermost Regions	Outermost

<sup>100</sup> However, it was necessary to consider also the PP 2007-2013 intervention fields, because they have often been unduly used by the Member States to report irregularities under PP 2014-2020. The priorities for the PP 2014-2020 are listed in the Commission Implementing Regulations (EU) 184/2014 and 215/2014 and are different from the priorities for PP 2007-2013. Contrary to these Regulations, the Member States continued to encode irregularities in IMS using the (different) priorities that were valid for PP 2007-2013. This made necessary to formulate hypotheses about which PP 2014-2020 intervention fields the reporting authorities should have used instead of the PP 2007-2013 fields they actually used. Annex 14.4 clearly shows these hypotheses. Considering that the total expenditure declared is directly associated to the PP 2014-2020 fields, this could weaken the findings of the following analysis, especially when drilling down at the level of sub-areas.

<sup>101</sup> In these ‘green transition’ areas also the investments in risk prevention and management have been included, even if they are not necessarily linked to the adaptation to the climate change. However, risk prevention and management can be seen at least indirectly related to the preservation of the environment, also in case it concerns technological accidents or even earthquakes.

<sup>102</sup> The analysis is based on the intervention field codes reported in IMS. For some Member States, in IMS, the descriptions associated to two PP 2007-2013 field codes (COH-TH58 and COH-TH59) pertaining to the area of Culture, made wrongly reference to technical assistance. The hypothesis has been made that the operators correctly chose the codes to be associated to the irregularities, without being misled by the wrong descriptions. If the hypothesis is not correct for all related irregularities, this would lead to an overestimation of the area CultTour and an underestimation of the area TechAss (see Table CP9). However, there were no such irregularities reported as fraudulent. Concerning non-fraudulent irregularities, there were 9 cases (EUR 472 000) reported under COH-TH58 and 2 cases (EUR 3 447 000) reported under COH-TH59. This would not change significantly Graph CP21 below and the main findings of the analysis.



Figure CP1: Irregularities reported as fraudulent by area (Cohesion policy, PP 2014-2020) (EU27)

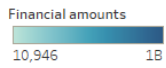
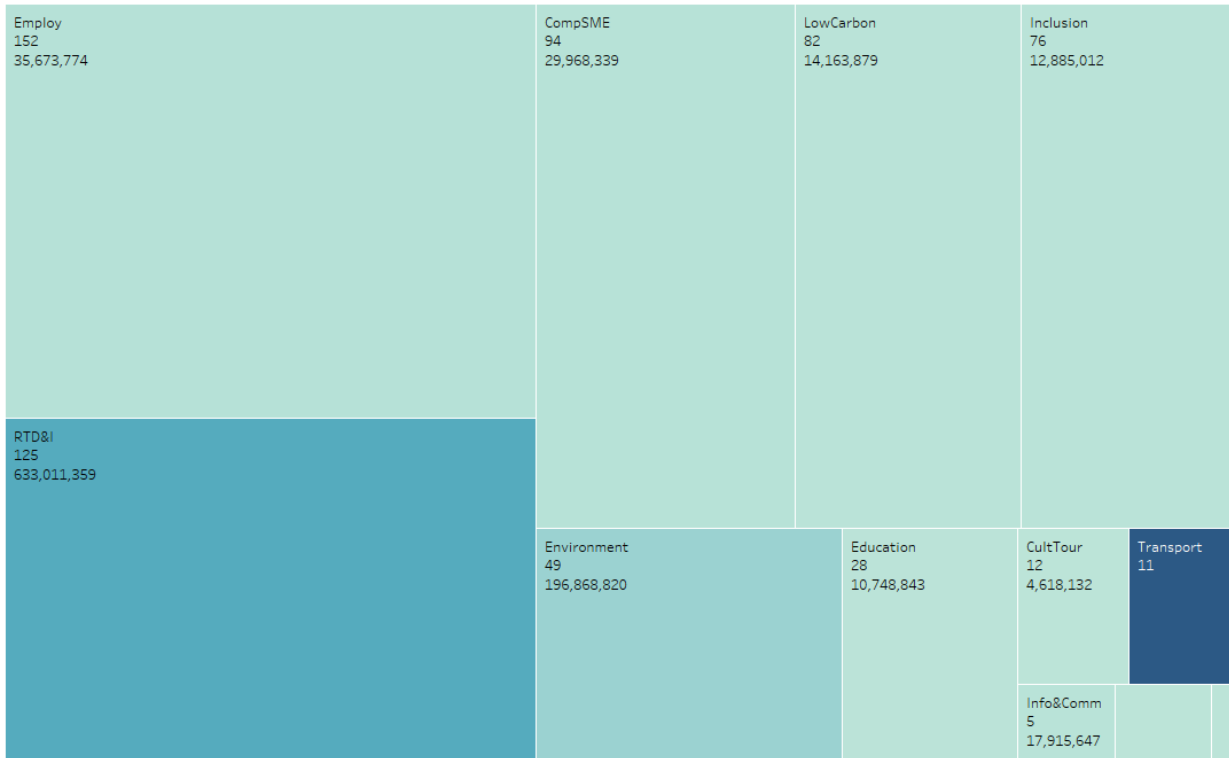
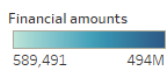
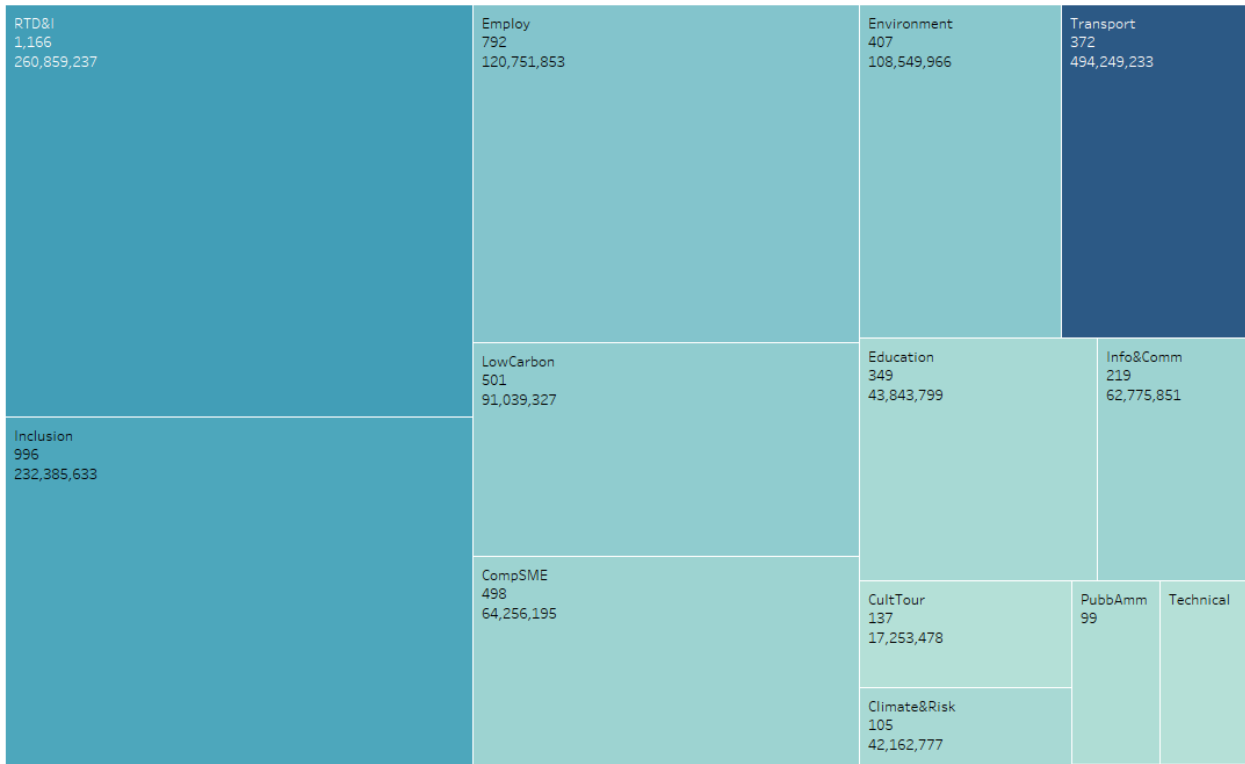


Figure CP2: Irregularities not reported as fraudulent by area (Cohesion policy, PP 2014-2020) (EU27)



*Fraudulent irregularities*

**Few fraudulent irregularities concerned transport, but the financial amounts involved were huge. Financial amounts involved in research and innovation were the second highest and this was based on a broader base of cases.** Concerning transport, this was influenced by one irregularity where EUR 1 270 million were involved. Similarly, for research and innovation, the high financial amounts were influenced by two fraudulent irregularities, accounting together for about EUR 590 million.

**Fraudulent irregularities were most frequent in the areas related to employment, to research and innovation and to the green transition.** Concerning the green transition, they were most frequent in relation to the transition to a low-carbon economy and the protection of the environment. Excluding the above mentioned outliers (related to transport and research/innovation) the protection of the **environment** was the area with the highest financial amounts involved, similar to transport but based on more cases.

#### *Non-fraudulent irregularities*

**Research/innovation and inclusion were two areas with many non-fraudulent irregularities and high financial amounts involved.** The area concerning research and innovation is the one affected by the highest number of non-fraudulent irregularities. The high financial amounts involved in inclusion were influenced by an irregularity accounting for nearly EUR 110 million.

**Taken together, also the areas related to the green transition accounted for more than 1 000 non-fraudulent irregularities and about EUR 250 million.** This is mainly due to non-fraudulent irregularities related to the protection of the environment and the shift towards a low-carbon economy.

**Concerning non-fraudulent irregularities, the highest financial amounts were related to transport.** This was based on a lower number of cases than in other areas.

#### *Considering the share of cohesion funding devoted to the different areas*

**The share of total expenditure declared (EU share) for the different areas of the cohesion policy may influence the frequency of irregularities and the total financial amounts involved in these irregularities.** To take this factor into consideration, Graph CP20 below proposes a comparison among areas of the cohesion policy based on:

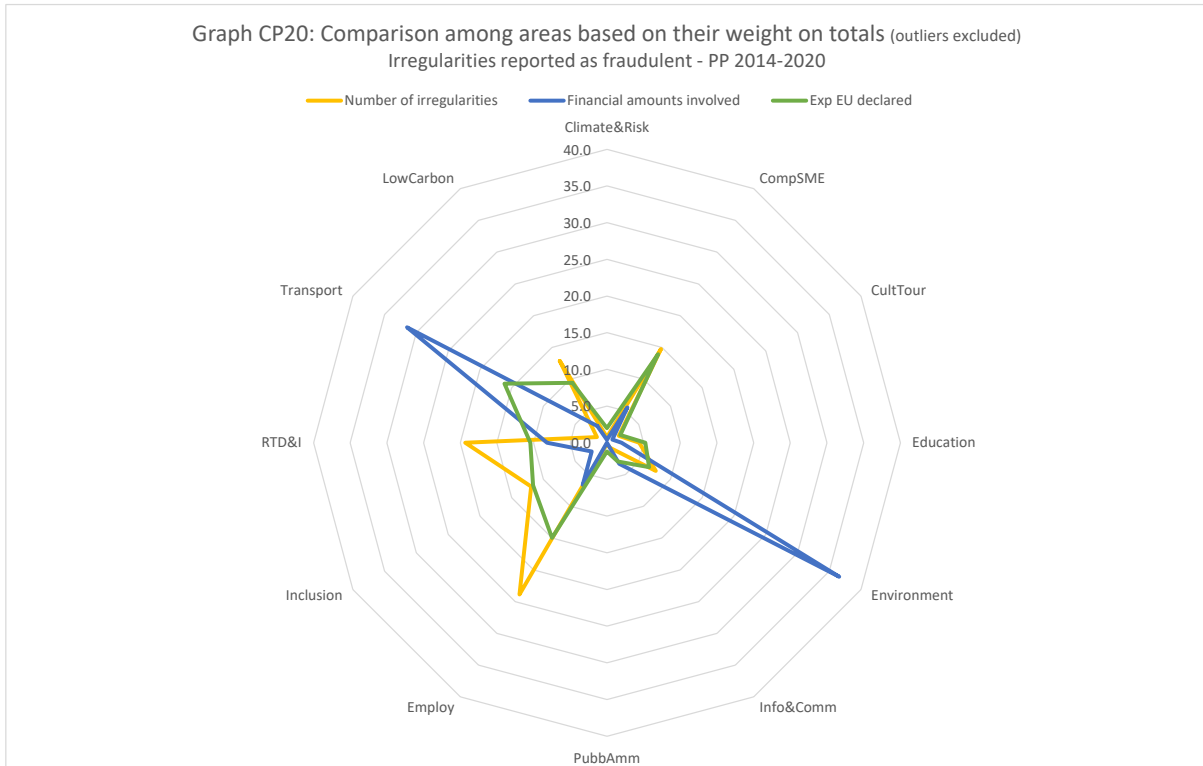
- The percentage of irregularities related to a specific area over the total number of irregularities related to the cohesion policy<sup>103</sup>;
- The percentage of the financial amounts involved in the irregularities related to a specific area over the total financial amounts involved in all irregularities related to the cohesion policy;
- The percentage of expenditure declared (EU share) for the operations belonging to a specific area over the expenditure declared (EU share) for all operation under the cohesion policy (all intervention fields).<sup>104</sup>

<sup>103</sup> The totals of the cohesion policy (number of irregularities and financial amounts involved) do not include 23 fraudulent irregularities (accounting for EUR 42 788 595) for which the reporting authority did not specify the intervention field.

<sup>104</sup> This is based on the field 'Tot\_Expend\_EU\_Declared' from the file 'ESIF\_2014\_2020\_ERDF-CF-ESF\_raw\_categorisation', updated at 2021, published on: <https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-ERDF-CF-ESF-raw-categorisation/xe4p-7b9q>

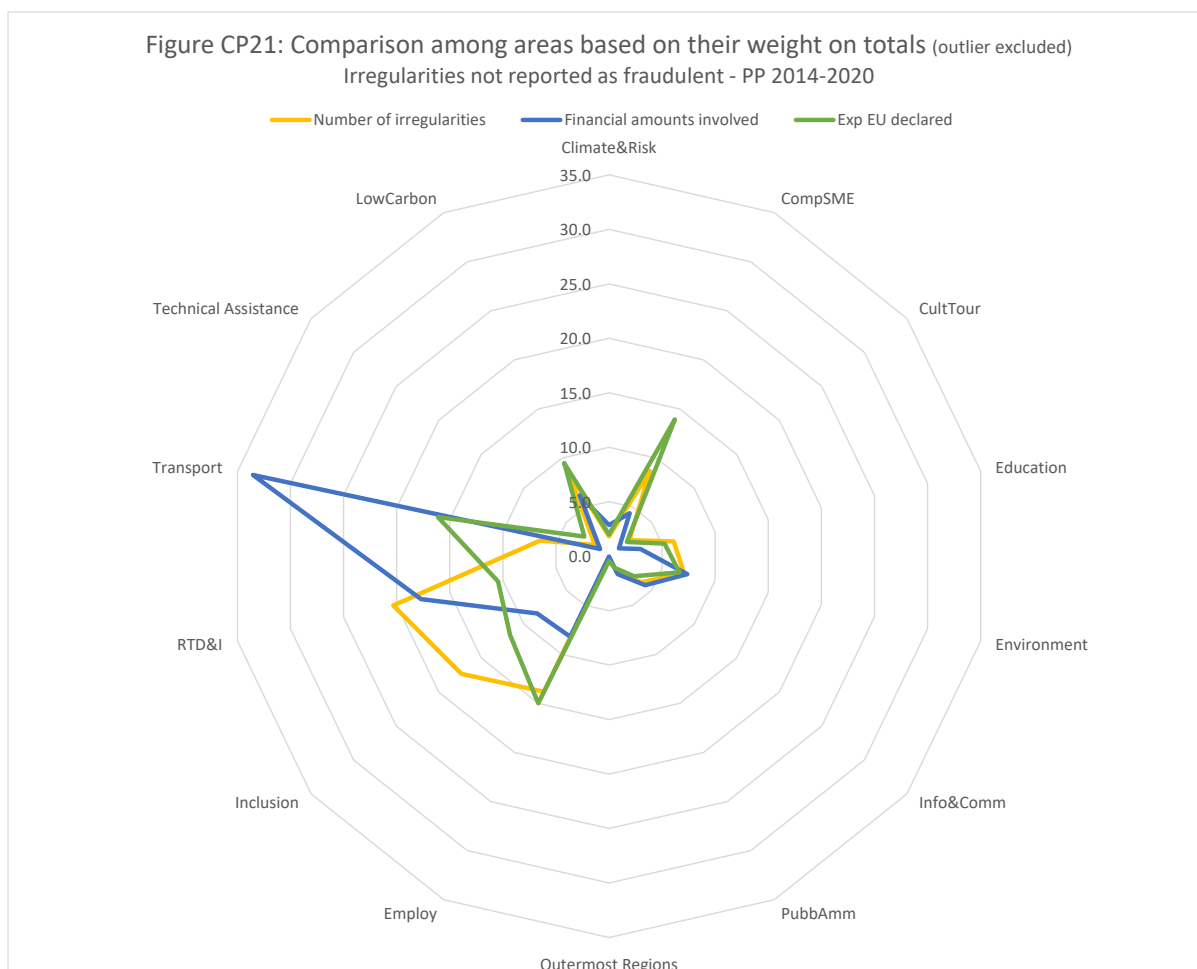
Concerning fraudulent irregularities, this analysis confirms that the financial amounts involved in the areas transport and environment protection were very high. Graph CP20 below focuses on fraudulent irregularities. The three outliers related to transport and research and innovation (see above) are not included in Graph CP20.

Research/innovation and employment are the two areas where the frequency of fraudulent irregularities was much higher than what could be expected based on the weight of the expenditure declared (see Graph CP20 below).



Concerning non-fraudulent irregularities, Graph CP21 below confirms that research/innovation and inclusion were areas with a very high number of cases and/or financial amounts involved. Graph CP21 focuses on non-fraudulent irregularities. The outlier related to inclusion (see above) is not included in Graph CP21.

As for fraudulent irregularities, also for non-fraudulent irregularities, the irregular financial amounts involved in transport were disproportionately high, also when the expenditure declared is taken into consideration.



Based on this preliminary analysis by area of the cohesion policy:

- **Transport** is a risky area because both fraudulent and non-fraudulent irregularities involved very high financial amounts;
- **Research, technological development and innovation** is a risky area because of the frequency of irregularities and the high financial amounts involved;
- The **green transition** seems to be at risk of fraud, especially considering the financial amounts involved in the area of **environment protection**. Also non-fraudulent irregularities were frequent and costly - especially for environment protection and transition to low-carbon economy – but this seems to be due also to the level of expenditure declared in these sectors.
- Irregularities concerning **employment** were quite frequent, especially fraudulent ones.
- Irregularities concerning **social inclusion, poverty and discrimination** were quite frequent, especially non-fraudulent ones.

These areas are further analysed in the following sections. Also the area of **information, communication and technology** is further analysed, because of its relevance for the digital transition, which is a key objective also of the Recovery and Resilience Facility.

#### 4.3.1.1. The green transition

**In Figures CP3 and CP4 below, the analysis drills down to the level of the sub-areas relevant to the green transition** (see Annex 14). Figure CP3 is based on the fraudulent irregularities concerning the three areas that feed into the green transition (protection of the

environment, the shift towards a low-carbon economy, climate change – see Table CP9 above and Annex 14). Figure CP4 focuses on non-fraudulent irregularities.

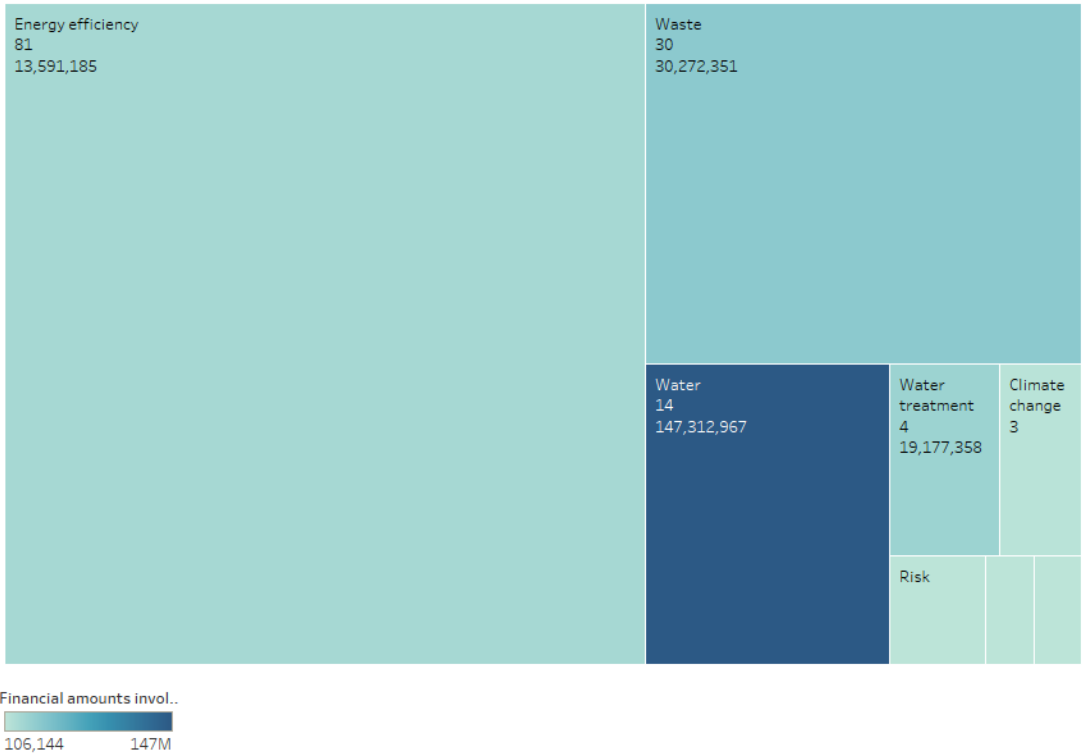
#### *Fraudulent irregularities*

**The majority of these fraudulent irregularities concerned energy efficiency.** This is confirmed by the comparison based also on the expenditure declared (see Graph CP22 below). Most of these irregularities have been classified in the generic intervention field ‘Energy efficiency, co-generation, energy management’, which was valid for PP 2007-2013 (see footnote 101). In the few cases where the classification was more precise (based on the PP 2014-2020 fields), fraudulent irregularities mostly concerned ‘**energy efficiency renovation of existing housing stock**, demonstration projects and supporting measures’ and were about conflict of interests in procurement or incorrect documents.

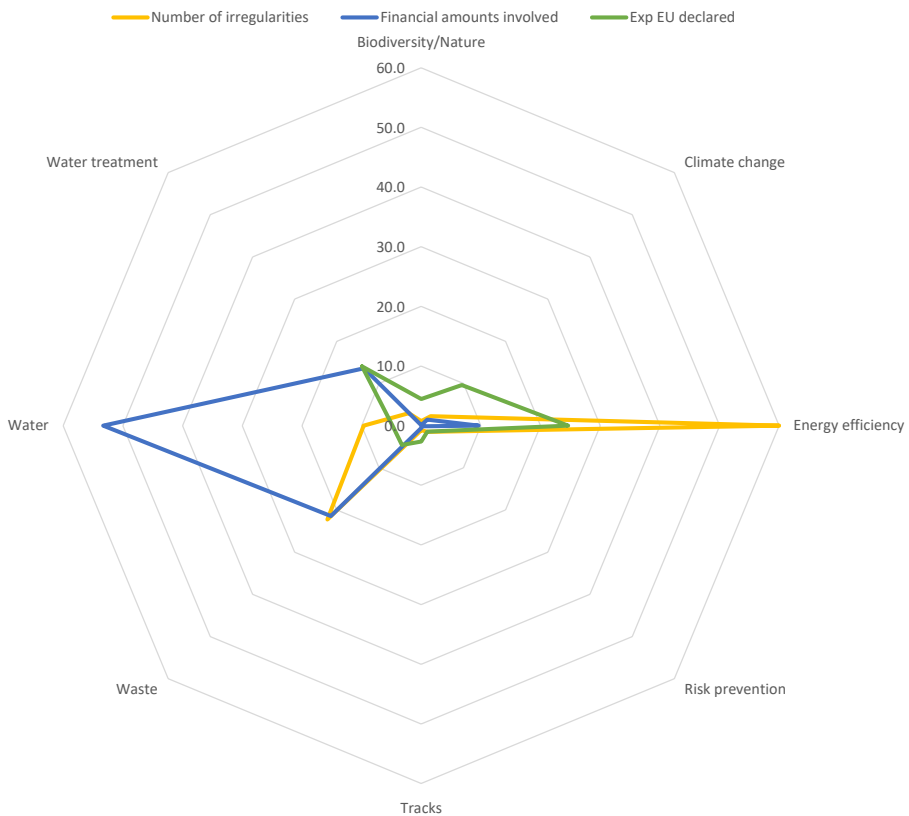
**The highest financial amounts were involved in the management and distribution of drinking water.** The prevalence of water management in term of financial amounts was also due to one fraudulent irregularity accounting for more than EUR 70 million, concerning the **management and distribution of drinking water** (generic code under PP 2007-2013). However, the prevalence of this sub-area in terms of irregular financial amounts is confirmed by Graph CP22 below, where this outlier is excluded and the expenditure declared is considered. Most of the fraudulent irregularities concerning water management were related to the **provision of water for human consumption** (which may include extraction, treatment, storage and distribution infrastructure). Besides water management, another sub-area concerning water, **water treatment**, was affected by few but costly fraudulent irregularities. However, this may be due also to the high expenditure declared for this field (see Graph CP22 below).

**Significant is also the contribution of waste management, both in terms of number and financial amounts.** The majority of these fraudulent irregularities concerned **household waste management (including minimisation, sorting, recycling measures)** and public procurement. The high financial amounts were mainly associated to fraudulent irregularities in the management of household and industrial waste (more generic code under PP 2007-2013).

Figure CP3: Irregularities reported as fraudulent - Green transition (Cohesion policy, PP 2014-2020) (EU27)



Graph CP22: Comparison among sub-areas based on their weight on totals (outlier excluded)  
Green transition - Irregularities reported as fraudulent - PP 2014-2020



*Non-fraudulent irregularities*

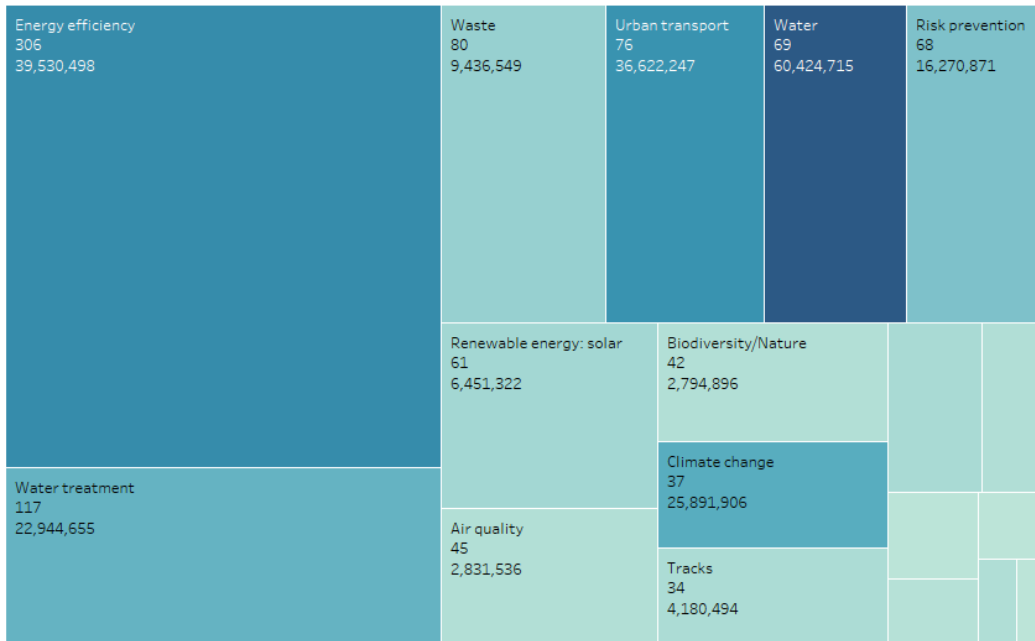
**Also for non-fraudulent irregularities, the majority of cases concerned energy efficiency. This sub-area was followed by water and waste treatment** (see Figure CP4 below). Concerning energy efficiency, the generic intervention field ‘Energy efficiency, co-generation, energy management’ - which was valid for PP 2007-2013 (see footnote 101) - was the most frequently reported. However, differently from fraudulent irregularities, this was closely followed by the more specific field about **‘energy efficiency renovation of public infrastructure, demonstration projects and supporting measures’**. Energy efficiency renovation of existing housing stock was instead not prevalent among non-fraudulent irregularities. **Water treatment** was impacted by more cases than **waste treatment**, but considering the share of expenditure declared, waste treatment seems to be more at risk, in terms of number of non-fraudulent irregularities (see Graph CP23 below).

**The highest financial amounts were involved in water management.** This was mainly due to interventions related to the **provision of water for human consumption**, also because of one non-fraudulent irregularity accounting for more than EUR 41 million. A similar number of non-fraudulent irregularities and even higher financial amounts (net of the aforementioned outlier) concerned **water management and drinking water conservation** (including river basin management, water supply, climate change adaptation, metering, charging systems and leak reduction). The remaining non-fraudulent irregularities made generic reference to management and distribution of drinking water (PP 2007-2013 field).

**Non-fraudulent irregularities related to renewable energy (solar) and risk prevention were also particularly frequent, considering weights in terms of expenditure declared for these types of investment. Risk prevention was particularly affected also in terms of irregular financial amounts.** This is suggested by Graph CP23 below, where the comparison takes into consideration the share of expenditure declared for the different intervention fields.

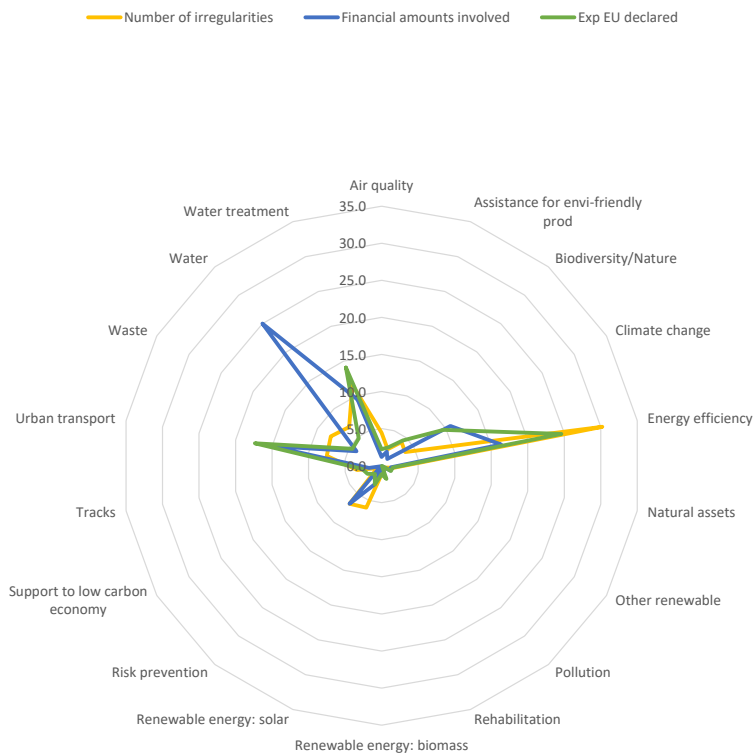
**The high financial amounts associated to climate change are mainly due to an irregularity accounting for more than EUR 18 million, out of the EUR 25 million involved.** These financial amounts are noticeable in Graph CP23 below and they would stick out even more if the above mentioned outlier accounting for EUR 41 million in water management would be excluded from Graph CP23. However, also the financial amounts involved in the adaptation to climate change and prevention and management of climate change risks are influenced by a large non-fraudulent irregularity, accounting for more than EUR 18 million.

Figure CP4: Irregularities not reported as fraudulent - Green transition (Cohesion policy, PP 2014-2020) (EU27)



Financial amounts invol..  
 259,843 60,424,715

Graph CP23: Comparison among sub-areas based on their weight on totals  
 Green transition - Irregularities not reported as fraudulent - PP 2014-2020





4.3.1.2. *Research, technological development and innovation*

In Figures CP5 and CP6 below, the analysis drills down to the level of the sub-areas of research, technological development and innovation (see Annex 14). Figure CP5 focuses on fraudulent irregularities. Figure CP6 is based on non-fraudulent irregularities.

*Fraudulent irregularities*

The prevalence of assistance to RTD and innovation activities in firms is clear, both in terms of number of fraudulent irregularities and financial amounts involved. The financial amounts related to this sub-area were strongly influenced by the two aforementioned irregularities, accounting together for EUR 590 million. More specifically, these outliers concerned investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities. However, the most reported intervention field in this sub-area was the generic (PP 2007-2013) ‘Other measures to stimulate research and innovation and entrepreneurship in SMEs’. The most recurrent violations concerned the documentary proof, in particular false or falsified documents. There were a significant number of cases of conflict of interests.

Figure CP5: Irregularities reported as fraudulent - research and innovation (Cohesion policy, PP 2014-2020) (EU27)



*Non-fraudulent irregularities*

RTD and innovation activities in firms was clearly prevalent also with reference to non-fraudulent irregularities (see Figure CP6 below). The most reported intervention field was again the generic (PP 2007-2013) ‘Other measures to stimulate research and innovation and entrepreneurship in SMEs’, followed by research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation). The highest financial amounts and a high number of cases were related to investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities

(including innovative technologies, establishment of new firms by universities, existing RTD centres and firms, etc.).

Also the intervention fields concerning activities in **research centres and the technology transfer** made a noticeable contribution to the total number of non-fraudulent irregularities affecting research and innovation. However, this seems to be more in line with the share of expenditure declared for these intervention fields.

Figure CP6: Irregularities not reported as fraudulent - research and innovation (Cohesion policy, PP 2014-2020) (EU27)



#### 4.3.1.3. Transport and networks

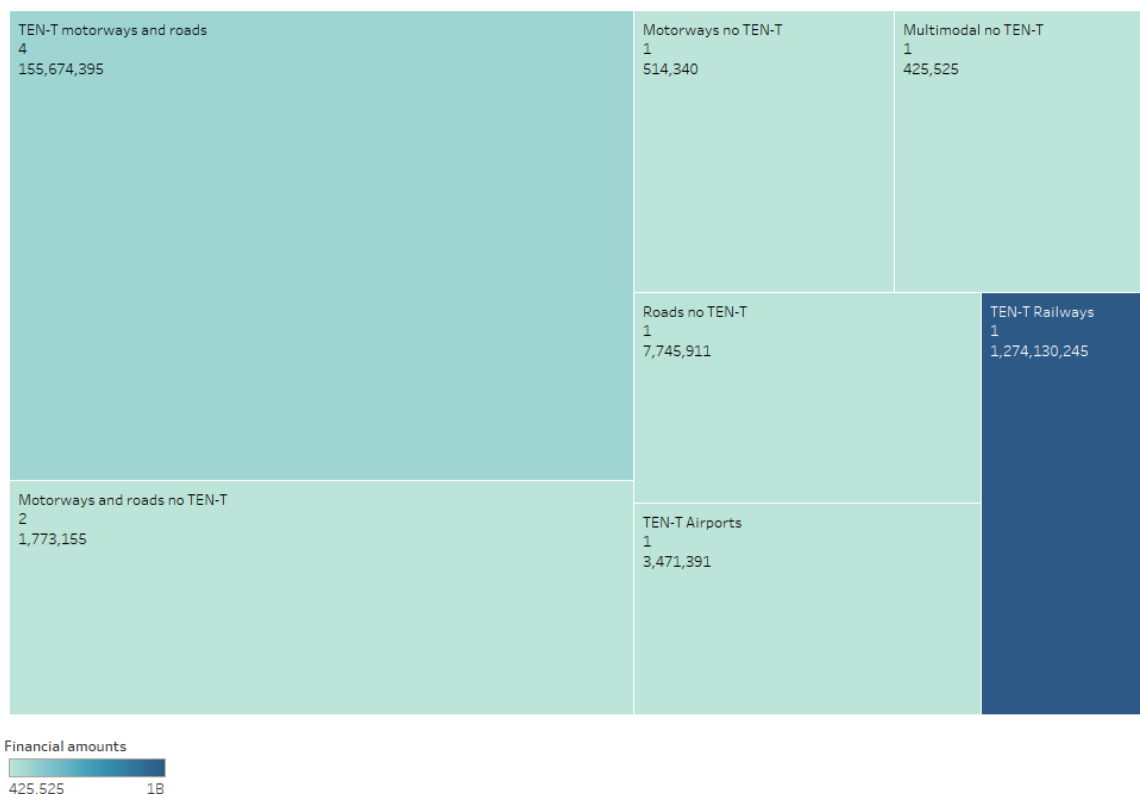
In Figures CP7-CP9 below, the analysis drills down to the level of the sub-areas of **sustainable transport and other networks infrastructures** (see Annex 14). Figure CP7 and CP8 focus on fraudulent irregularities. Figure CP9 is based on non-fraudulent irregularities.

##### *Fraudulent irregularities*

Most of the fraudulent irregularities reported under PP 2014-2020 concerned **motorways or roads, with most of the irregular financial amounts involved in the Trans-European Network (TEN) infrastructure**. Two irregularities reported by Slovakia and Romania, accounting for EUR 118 million and EUR 36 million, contributed to the high financial amounts involved in TEN motorways and roads. The low number of fraudulent irregularities reported so far may be due to the long implementation periods of this type of projects. For a better understanding of potential trends, reference to the situation concerning PP 2007-2013 may be useful. This is shown in Figure CP8 below<sup>105</sup>.

<sup>105</sup> As shown in detail in Annex 14, the sub-area 'TEN-T motorways and roads' has been created to collect all intervention fields related to this type of projects (the PP 2007-2013 field referred only to motorways, while the PP 2014-2020 fields expanded the scope to include both motorways and road). For the non-TEN-T projects, the

Figure CP7: Irregularities reported as fraudulent - Transport and networks (Cohesion policy, PP 2014-2020) (EU27)



**During PP 2007-2013, most of the fraudulent irregularities were related to roads that were not part of the TEN network. However, the few irregularities related to TEN motorways and roads were enough to match the total financial amounts involved in non-TEN projects.** Concerning non-TEN infrastructure, irregularities related to regional/local roads were most frequent, but the financial amounts involved in national roads were much higher. The financial amounts involved in one irregularity related to a national road may be worth tens of millions. In the case of a TEN project the financial amounts can skyrocket. During PP 2007-2013, the three irregularities with the highest financial amounts in national roads averaged EUR 25 million, but one irregularity related to a TEN motorway accounted for EUR 120 million. The most frequent violations concerned the documentary proof, in particular false or falsified documents. There were several cases concerning ethics and integrity, including conflict of interests and corruption, and several cases related to public procurement.

distinction has been maintained. The broader sub-area ‘Motorways and roads no TEN-T’ is linked to the PP 2014-2020 field (where both types of infrastructure are included) while the more specific sub-areas are linked to PP 2007-2013 fields (where the two types of infrastructure were kept separate).

Figure CP8: Irregularities reported as fraudulent - Transport and networks (Cohesion policy, PP 2007-2013) (EU27)



**Fraudulent irregularities in investments for railways were less frequent, but financial amounts involved can be huge.** So far, during PP 2014-2020, there was just one such irregularity (TEN) reported by Romania, but the amounts involved exceeded EUR 1 270 million. During PP 2007-2013, two irregularities related to railways were reported. One of them accounted for nearly EUR 30 million, despite it was not related to a TEN project.

*Non-fraudulent irregularities*

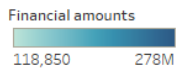
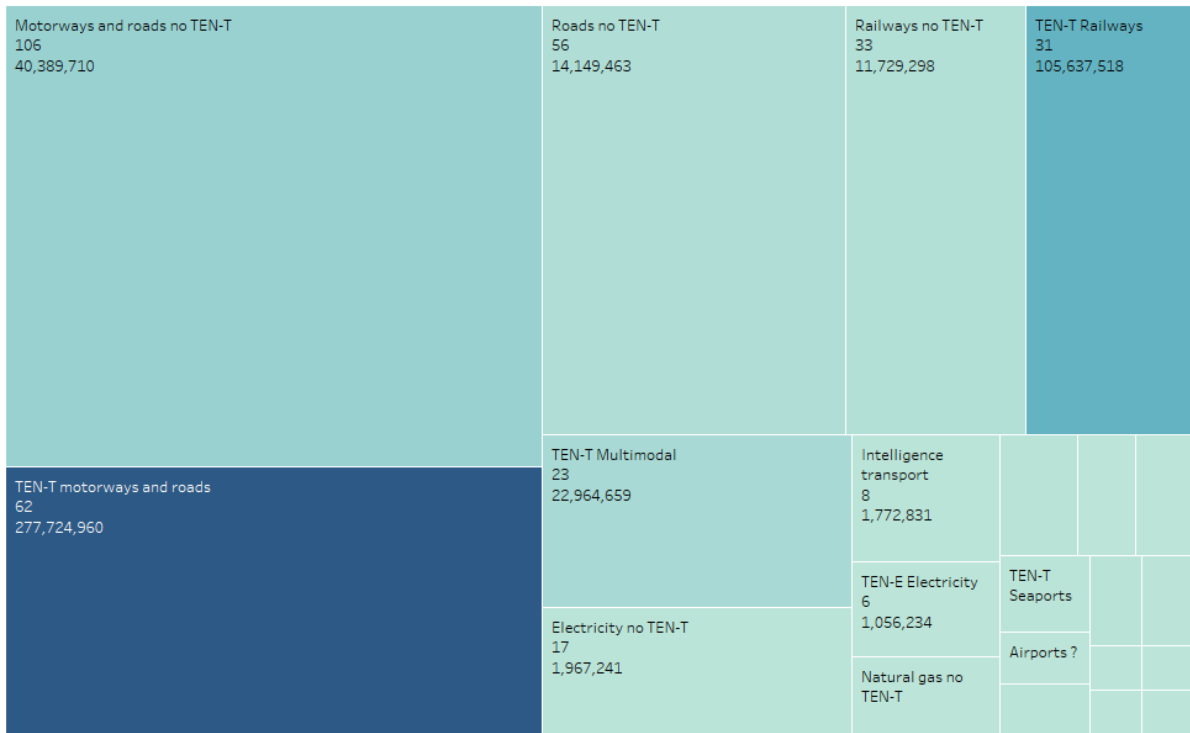
**Also for non-fraudulent irregularities, most of cases concerned motorways and roads, with higher financial amounts involved in TEN investments (see Figure CP9 below).** Graph CP24 below, where number and financial amounts are compared with the expenditure declared, confirms that the number of irregularities related to motorways and roads and the financial amounts involved in TEN infrastructure were disproportionately high.

**The share of irregularities concerning railways tend to be larger in non-fraudulent irregularities than in fraudulent ones.** The number of irregularities related to TEN and no TEN projects was similar, but the financial amounts related to TEN projects was much higher, also because of two irregularities accounting together for about EUR 100 million.

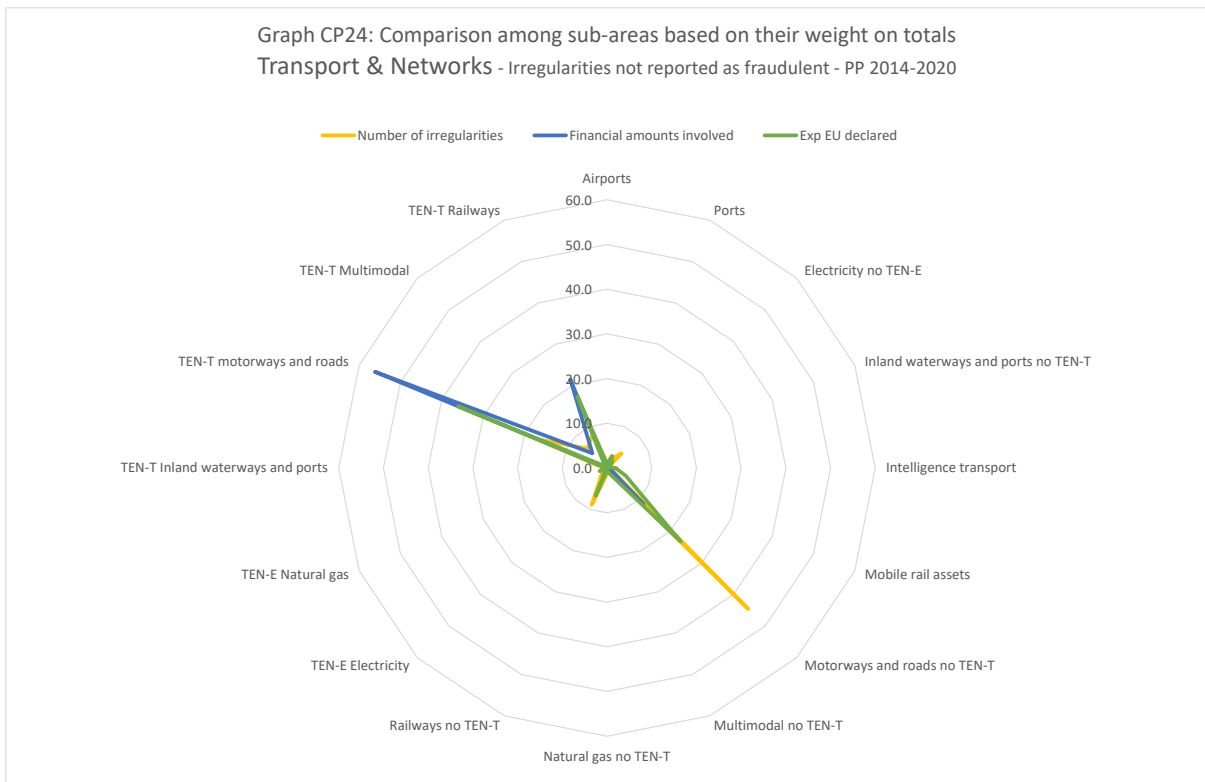
**Despite the low level of expenditure, non-fraudulent irregularities concerning multimodal transport in connection with the TEN network occurred.** As shown by Graph CP24 below, considering the share of expenditure declared for this type of projects, the number of non-fraudulent irregularities and the financial amounts involved were high.

**Several non-fraudulent irregularities affected investments in the electricity network, with low financial amounts involved.** When compared with the share of expenditure declared for this type of projects, the frequency of these non-fraudulent irregularities was noticeable.

Figure CP9: Irregularities not reported as fraudulent - Transport and networks (Cohesion policy, PP 2014-2020) (EU27)



Graph CP24: Comparison among sub-areas based on their weight on totals Transport & Networks - Irregularities not reported as fraudulent - PP 2014-2020



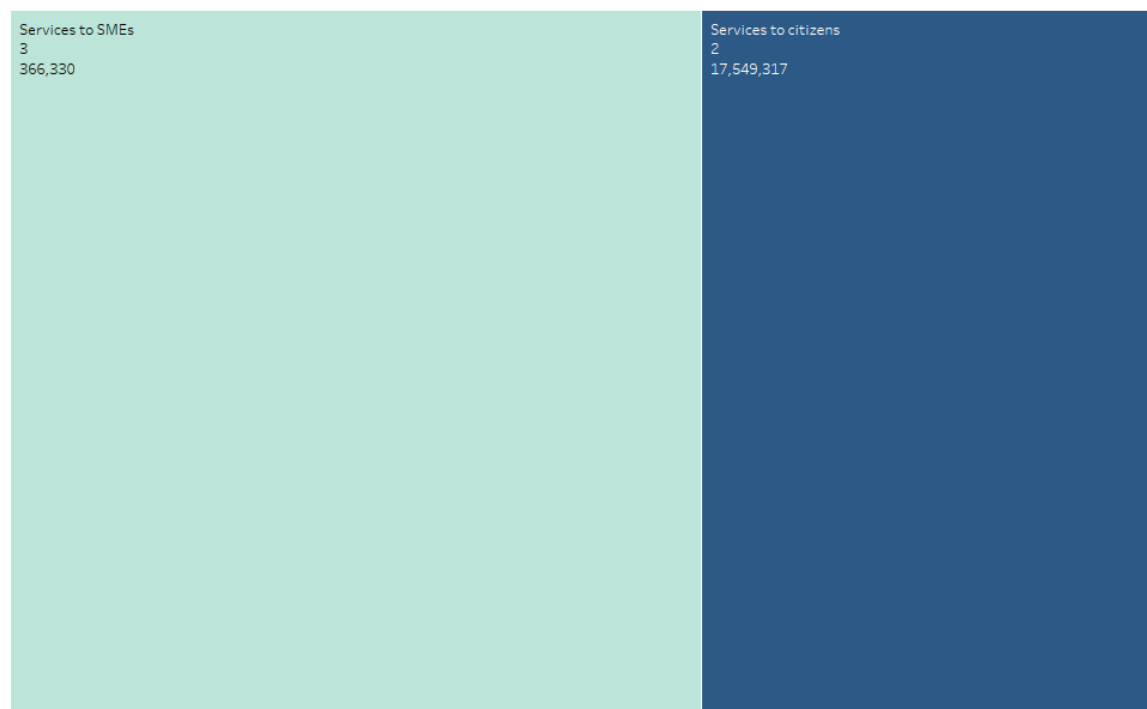
#### 4.3.1.4. Digital transition

In Figures CP10 and CP11 below, the analysis drills down to the level of the sub-areas of the information and communication technologies (see Annex 14). Figure CP10 focuses on fraudulent irregularities. Figure CP11 is based on non-fraudulent irregularities.

##### *Fraudulent irregularities*

**Fraudulent irregularities related to the digital transition were not frequent and they concerned services and applications.** The finding about the low frequency comes out of the analysis in Section 4.3.1., also taking into consideration the share of expenditure declared for this area. Figure CP10 below shows that these irregularities affected investments concerning services and applications both for SMEs and for e-Government. The financial amounts involved in the irregularities related to e-Government were much higher, also because of an irregularity accounting for EUR 15 million, related to discriminatory selection criteria in public procurement.

Figure CP10: Irregularities reported as fraudulent - Digital transition (Cohesion policy, PP 2014-2020) (EU27)



Financial amounts  
 366,330 17,549,317

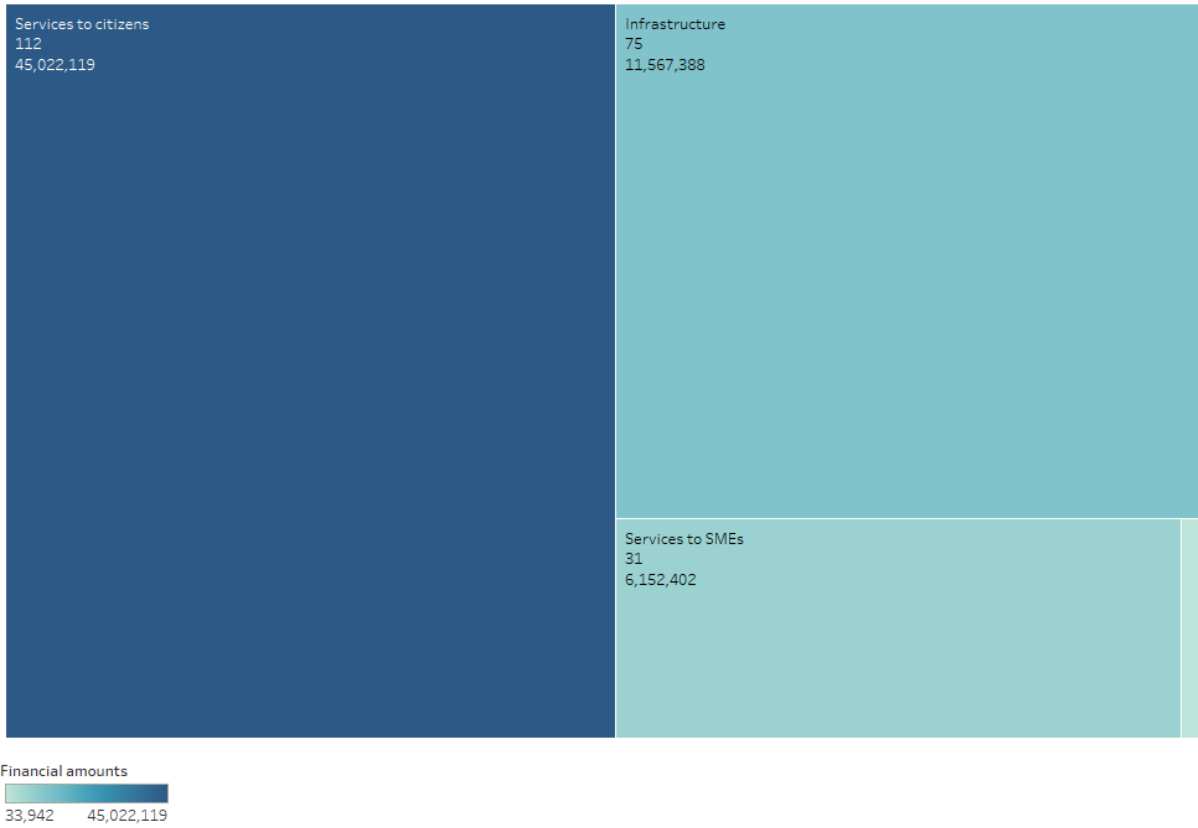
##### *Non-fraudulent irregularities*

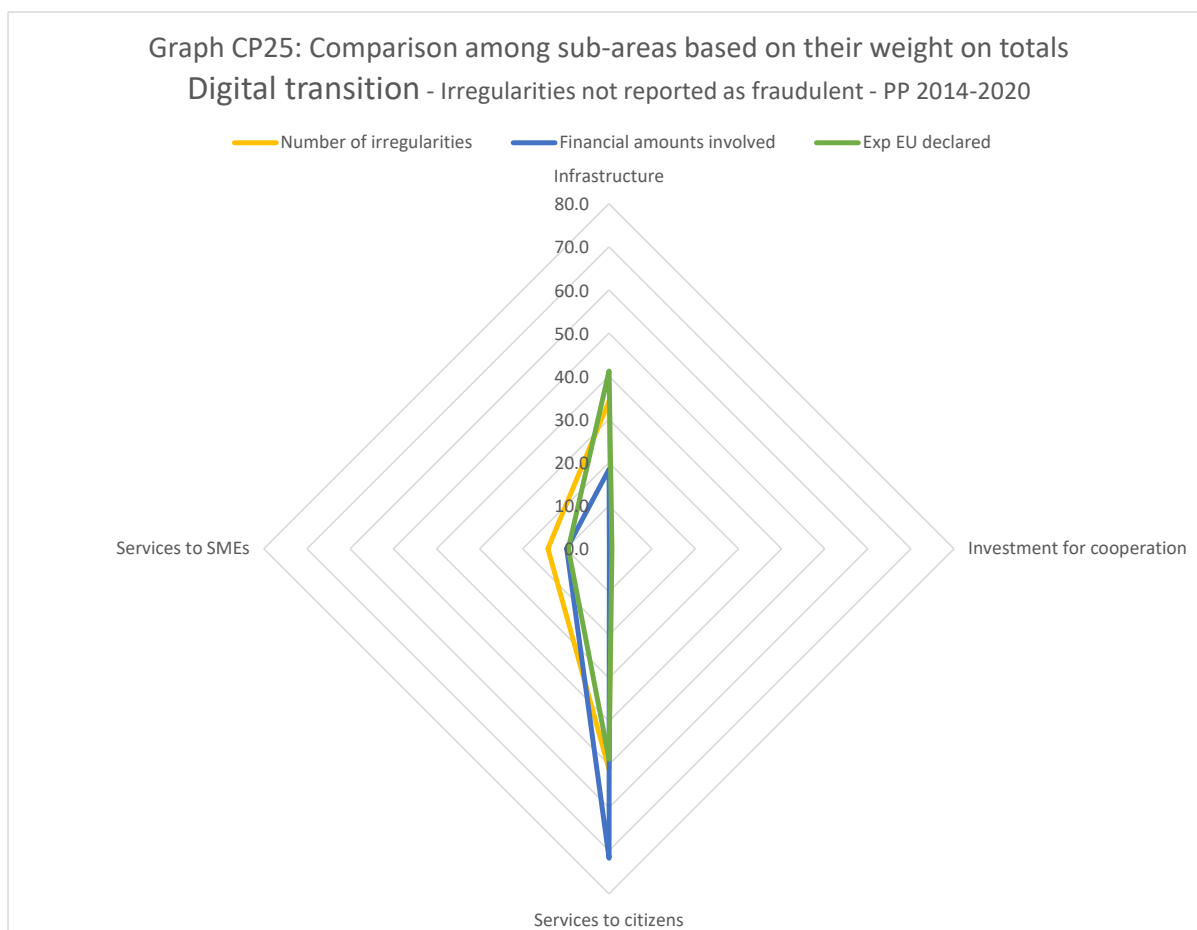
**Member States more often reported non-fraudulent irregularities, also in relation to investments for the digital transition.** This higher frequency is suggested also by the analysis that considers the share of expenditure declared in this area (see section 4.3.1 and Graph CP21 above).

**The financial amounts involved in non-fraudulent irregularities related to e-Government were prevalent, but the number of irregularities related to services and applications for SMEs was also noticeable (Figure CP11 below).** The financial amounts related to e-Government were very high also considering the share of expenditure declared for these investments (see Graph CP25 below). This is influenced by an irregularity in public procurement, accounting for EUR 20 million. The number of non-fraudulent irregularities

related to services and applications for SMEs was lower than that related to e-Government, but it was more significant, when considering that far less expenditure has been declared for this type of investments (see Graph CP25 below).

FigureCP11: Irregularities not reported as fraudulent - Digital transition (Cohesion policy, PP 2014-2020) (EU27)





#### 4.3.1.5. Social inclusion

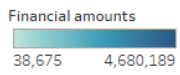
In Figures CP12 and CP13 below, the analysis drills down to the level of the sub-areas of social inclusion, poverty and discrimination (see Annex 14). Figure CP12 focuses on fraudulent irregularities. Figure CP13 is based on non-fraudulent irregularities.

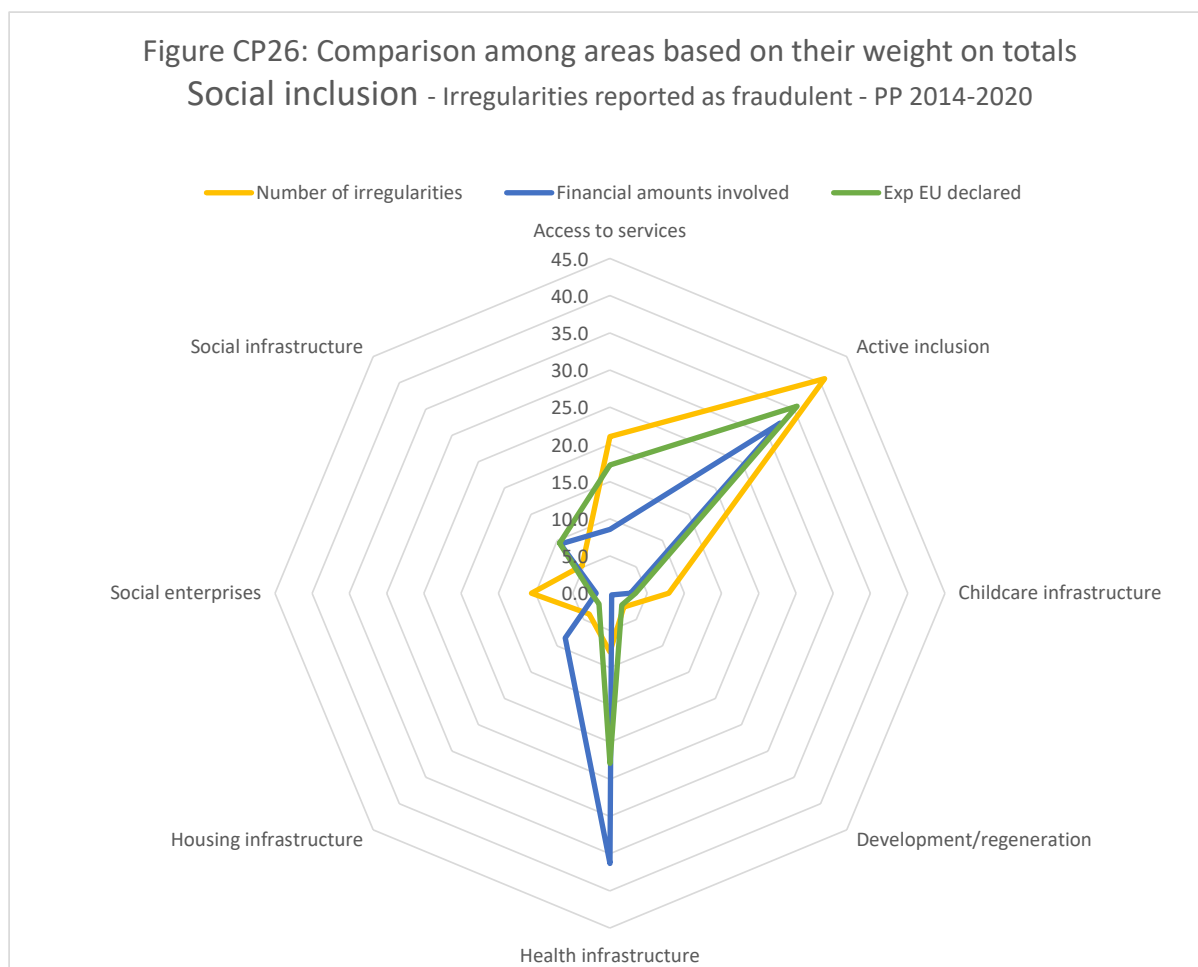
##### *Fraudulent irregularities*

**Most fraudulent irregularities concerned active inclusion, but the highest irregular financial amounts were involved in investments to improve the health infrastructure.** Active inclusion means equal opportunities, active participation, improving employability, employment for disadvantage people, etc. The most recurrent violations in active inclusion were about the implementation of the action or the documentary proof (in particular false documents). The high impact of fraudulent irregularities on active inclusion and health infrastructure is confirmed by the comparison with the share of expenditure declared for these intervention fields (see Graph CP26 below). The second highest number of fraudulent irregularities concerned **access to services, which includes healthcare and social services of general interests**. Most of the times, the violations related to access to services were about the non or partial implementation of the action.



Figure CP12: Irregularities reported as fraudulent - Inclusion, poverty, discrimination (Cohesion policy, PP 2014-2020) (EU27)





### *Non-fraudulent irregularities*

**The financial amounts involved in non-fraudulent irregularities related to investments for active inclusion were very high, but this is due to one irregularity accounting for EUR 108 million (Figure CP13 below).** In Graph CP27 below, the comparison is not influenced by this outlier. Graph CP27 below suggests that the detection of non-fraudulent irregularities related to active inclusion is influenced by the larger share of expenditure declared in this intervention field.

**When comparing also on the basis of the share of expenditure declared, non-fraudulent irregularities related to social infrastructure and the development/regeneration of rural and urban areas come to the attention.** This is shown by Graph CP27 below. The finding concerning regeneration/development may be overemphasized by the wrong use of intervention field codes by the Member States<sup>106</sup>. In terms of financial amounts involved in non-fraudulent irregularities, also the investments to **improve access to services** (including healthcare and social services of general interest) and investments in favour of **marginalised**

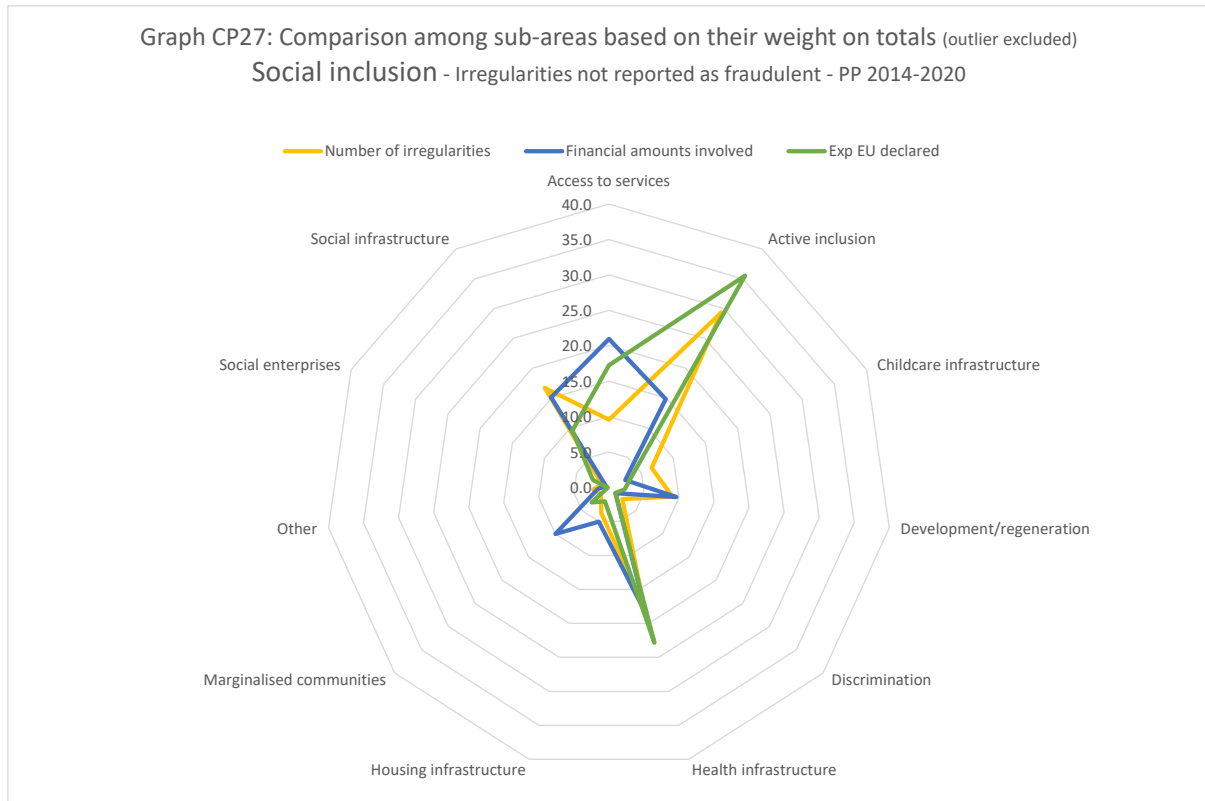
<sup>106</sup> The prevalence of development/regeneration with respect to the share of expenditure declared for this area may be overemphasized in Graph CP27, because most of the irregularities and financial amounts have been wrongly reported under a PP 2007-2013 intervention field ('Integration projects for urban and rural regeneration'). Such an intervention field does not exist under PP 2014-2020. These irregularities have been grouped together with the following PP 2014-2020 codes: 'Community-led local development initiatives in urban and rural areas' and 'Community-led local development strategies', making the hypothesis that the operation actually pertained to one of them. Consequently, these irregularities are compared with expenditure declared for these two PP 2014-2020 intervention fields.

**communities** come to notice. In terms of number of irregularities, this is the case for the funding of **child infrastructure** (see Graph CP27).

Figure CP13: Irregularities not reported as fraudulent - Inclusion, poverty and discrimination (Cohesion policy, PP 2014-2020) (EU27)



Financial amounts invol...  
53,800 127M



#### 4.3.1.6. Employment

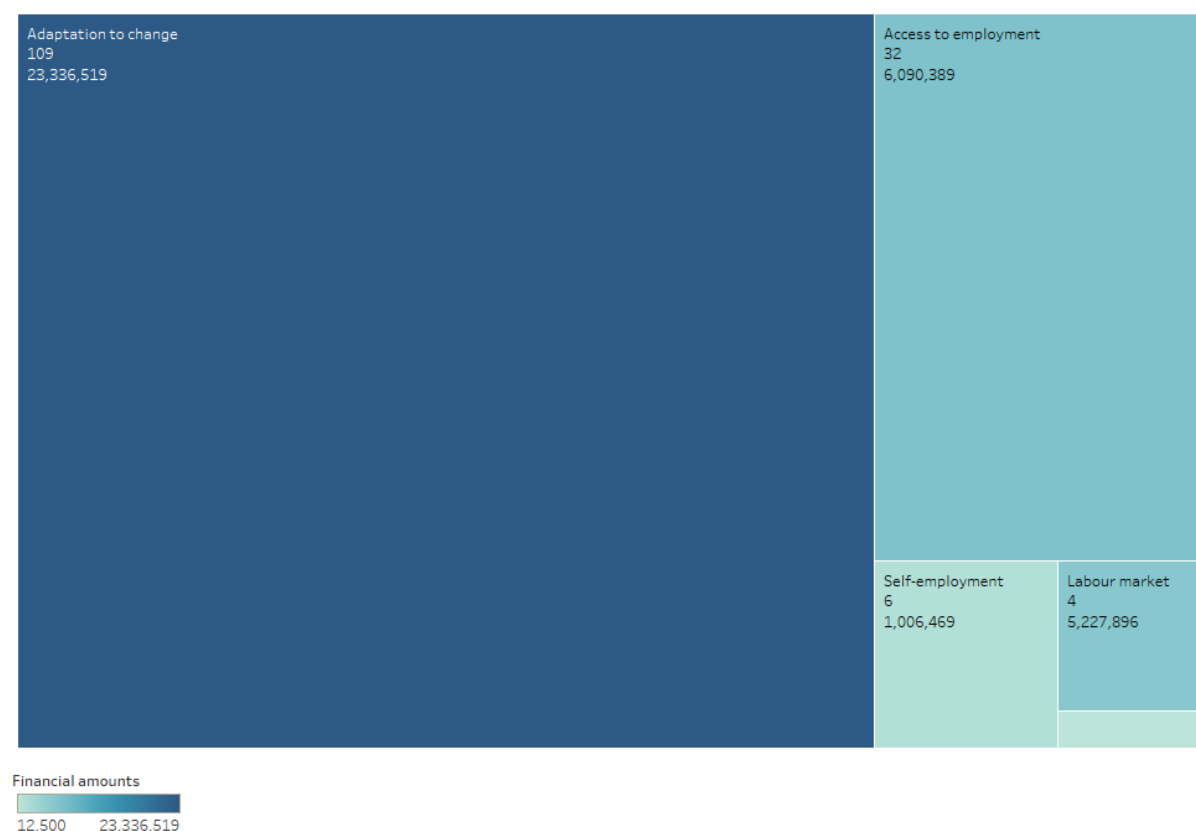
In Figures CP14 and CP15 below, the analysis drills down to the level of the sub-areas of promoting sustainable and quality employment and supporting labour mobility (see Annex 14). Figure CP14 focuses on fraudulent irregularities. Figure CP15 is based on non-fraudulent irregularities.

##### *Fraudulent irregularities*

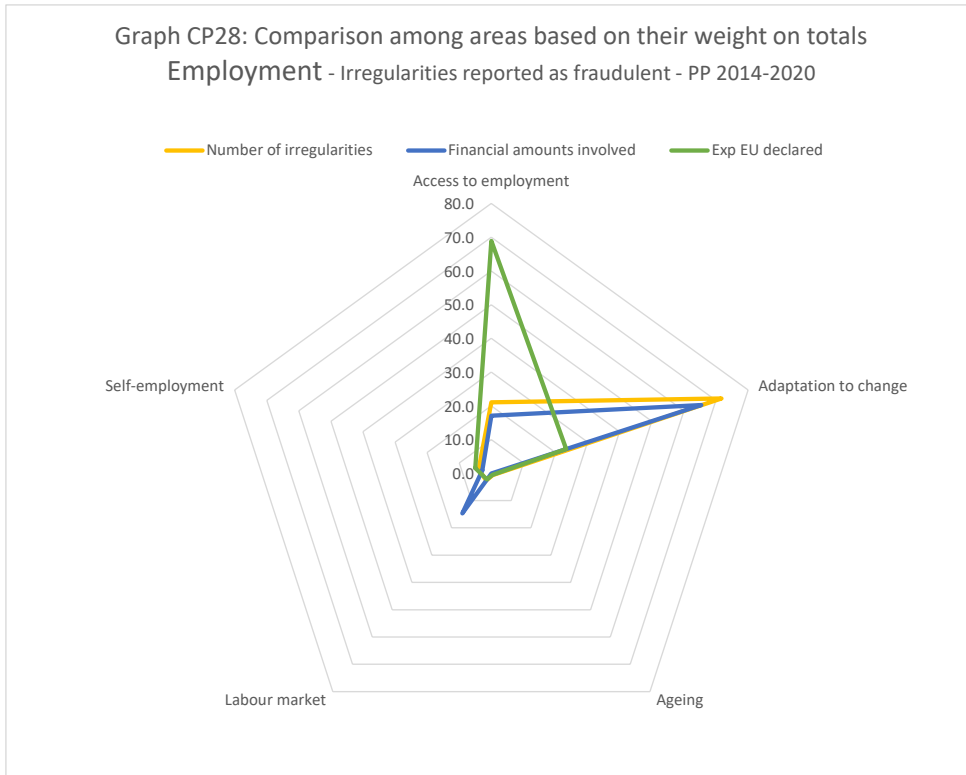
**Most of fraudulent irregularities and financial amounts involved concerned adaptation to change of workers and enterprises.** The disproportionate weight of these irregularities is confirmed by Graph CP28 below, where also the share of expenditure declared for this type of projects is considered. Within this sub-area, the majority of fraudulent irregularities were related to operations for the design and dissemination of innovative and more productive ways of working.<sup>107</sup> For these operations, the majority of violations concerned the non-implementation of the action or conflict of interests, including combined in the same irregularity. In a number of cases, conflict interests was combined with multiple financing. Infringements related to the documentary proof were also recurrent, often because of false or falsified documents.

**The high irregular financial amounts related to investments for the modernisation of the labour market (see Graph CP28 below) are due to one fraudulent irregularity, accounting for about EUR 4.5 million.**

Figure CP14: Irregularities reported as fraudulent - Employment (Cohesion policy, PP 2014-2020) (EU27)



<sup>107</sup> This intervention field belongs to PP 2007-2013, so it is not specifically financed by PP 2014-2020.

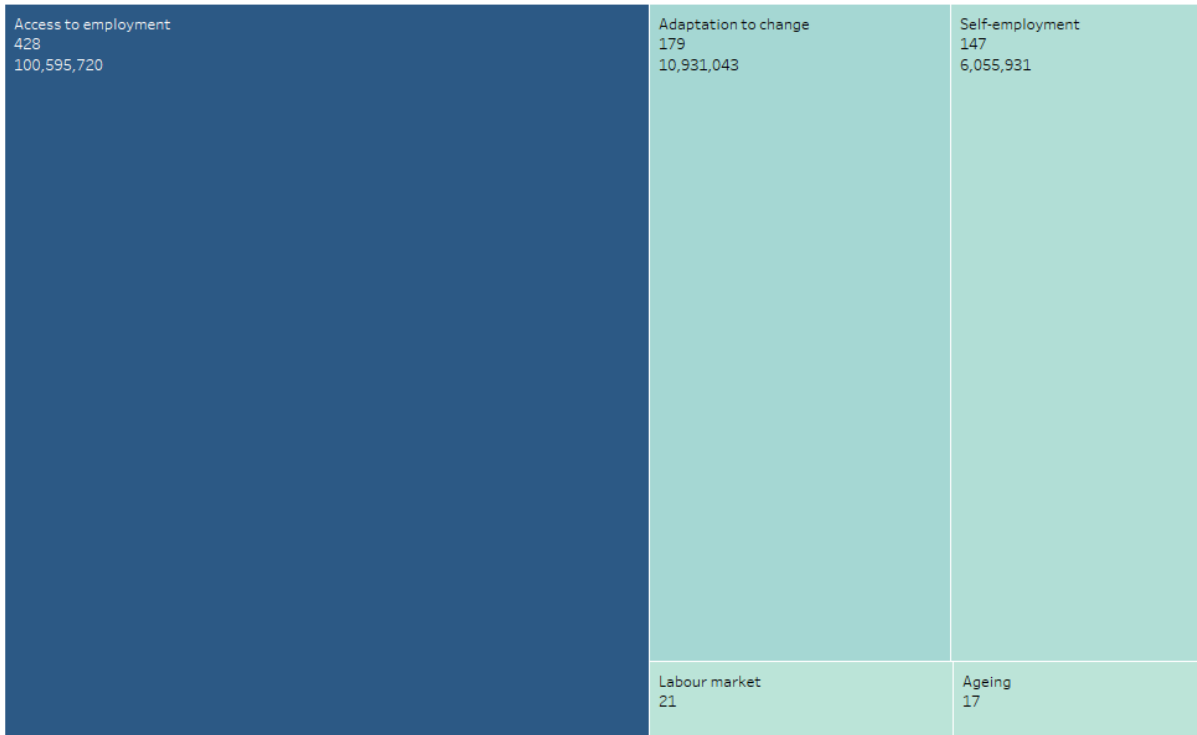


*Non-fraudulent irregularities*

**Most of non-fraudulent irregularities and financial amounts involved concerned access to employment** (Figure CP15 below). However, this prevalence can be partly explained through the high share of expenditure declared for this type of operations, at least in terms of number of irregularities. Most of these irregularities and financial amounts were related to operations for access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market.

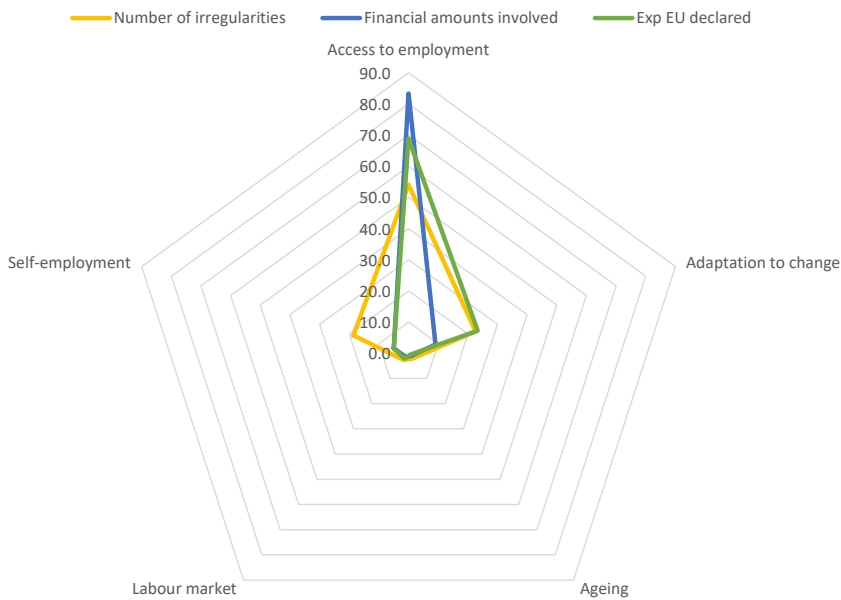
**A disproportionate high number of non-fraudulent irregularities were reported with reference to support for self-employment and business start-up.** In particular, this is suggested by Graph CP29 below, where the share of expenditure declared for this type of operations is considered.

Figure CP15: Irregularities not reported as fraudulent - Employment (Cohesion policy, PP 2014-2020) (EU27)



Financial amounts invol..  
1,329,568 101M

Graph CP29: Comparison among areas based on their weight on totals  
Employment - Irregularities not reported as fraudulent - PP 2014-2020



4.3.2. Irregularities by type

Table CP10 below provides an overview of the categories of irregularities reported in connection with the Cohesion policy (CF, ERDF, ESF).<sup>108</sup>

The same irregularity may be associated to several categories of infringement. That is why the row of totals does not result from summing up the figures in the respective columns of Table CP10 below: it would result in multiple counting of the same notification of irregularity.

Table CP10: Categories of irregularity - Cohesion policy (PP 2014-2020)

Categories of irregularities	Irregularities reported as fraudulent					Irregularities not reported as fraudulent		
	N	EUR	EUR/avg	FFL	FAL	N	EUR	EUR/avg
Incorrect, missing, false or falsified supporting documents	303	139,424,410	460,147	27	52	814	126,151,590	154,977
Infringement of contract provisions/rules	120	680,535,605	5,671,130	7	72	1,711	265,004,767	154,883
Ethics and integrity	89	53,219,642	597,974	58	90	64	5,802,245	90,660
Infringement of public procurement rules	88	183,410,922	2,084,215	4	18	2,359	814,838,127	345,417
Eligibility / Legitimacy of expenditure/measure	69	41,191,722	596,981	13	29	472	102,182,604	216,489
Violations/breaches by the operator	37	13,700,129	370,274	19	27	159	36,344,080	228,579
Incorrect, absent, falsified accounts	31	7,274,739	234,669	10	13	275	49,125,471	178,638
Product, species and/or land	28	5,437,835	194,208	22	27	101	14,541,608	143,976
Infringements concerning the request	25	127,340,975	5,093,639	16	70	130	53,374,849	410,576
Multiple financing	10	2,625,578	262,558	37	66	17	1,369,966	80,586
State aid	3	736,771	245,590	5	9	55	7,722,101	140,402
Bankruptcy	2	327,059	163,530	5	5	42	6,348,415	151,153
Movement			NA	0	0	12	774,809	64,567
Other	62	34,266,438	552,684	8	10	686	296,906,998	432,809
blank	26	1,347,702,937	51,834,728	13	96	180	52,593,419	292,186
<b>Total number of irregularities EU 27 <sup>(1)</sup></b>	<b>663</b>	<b>2,444,614,055</b>	<b>3,687,201</b>	<b>10</b>	<b>60</b>	<b>6,261</b>	<b>1,654,816,369</b>	<b>264,305</b>

(1) This is not the sum of the figures above, because one irregularity can refer to more than one category

**Concerning fraudulent irregularities, the most frequent violations were about supporting documents.** One out of four infringements and one out of two Euro concerning supporting documents was fraudulent (see FFL and FAL<sup>109</sup> in Table CP10 above). Most of the times, false or falsified documents were used.

**Examples of fraudulent irregularities related to the documentary proof**

*Example 1:* Cross-checks allowed detecting that the same persons were declared as attending at the same time, different training activities, delivered by different trainers, in the framework of different projects.

*Example 2:* In a procurement procedure, two of the three bids were fictitious. These two offers had been made by bidders who had been told in advance by the beneficiary the prices to be used in the offers.

*Example 3:* With reference to the construction of ventilation systems in schools, payments to the beneficiary had been made, based on documentation evidencing the completion of the systems and their acceptance. However, these systems had not been completed.

*Example 4:* In the framework of an application for a grant, to evidence its financial capability, the applicant presented a false promise to grant a loan apparently issued by a leasing company. In reality, the promise had not been issued by that company and it was signed by a person with no authority for that.

**High financial amounts were involved in fraudulent irregularities were infringements of contract provisions/rules took place. Fraud often consisted in incomplete or non-implementation of the funded action.** The frequency of fraud was rather low (see FFL in Table CP10 above), also because violations concerning contract provisions were the second most reported among the non-fraudulent irregularities. The average financial amount

<sup>108</sup> For details about the content of the categories listed in Table CP10, please see Annex 13.

<sup>109</sup> FFL (Fraud Frequency Level) is the ratio between the number of fraudulent irregularities reported during a certain period and the total number of irregularities (fraudulent and non-fraudulent) reported during the same period. FAL (Fraud Amount Level) is a similar indicator, but based on the financial amounts involved.

involved in these fraudulent irregularities was high at more than EUR 5.5 million. However, this was influenced by two irregularities, accounting together for EUR 590 million. Net of these outliers, one out of four Euro involved in irregularities related to violations of contract provisions were fraudulent and the average financial amount involved in these fraudulent irregularities was still more than EUR 750 000.

**Examples of fraudulent irregularities related to infringement of contract provisions/rules**

*Example 1:* The beneficiary did not implement the project in line with the schedule specified in the project application, the output and the result indicators were not achieved. The funds granted to the project were used for another objective. The funds allocated to the implementation of the project were used for unreasonable and inefficient spending, which resulted in lack of liquidity. Significant amounts were transferred from the project bank account to the bank account of the beneficiary, without being covered by direct costs incurred and settled for the project.

*Example 2:* The beneficiary had not adapted the building in line with the project purpose (nursery) and had not obtained the authorisation that was necessary to put in place the activities for which the building should have been used.

**Most of fraudulent violations concerning ethics and integrity were about conflict of interests.** Ethics and integrity is the category of infringement with the highest frequency of fraud, also in terms of financial amounts involved. Six out of ten infringements and nine out of ten Euro concerning ethics and integrity were fraudulent (see FFL and FAL in Table CP10 above). Corruption was rarely reported.

**Examples of fraudulent irregularities related to ethics and integrity**

*Example 1:* A number of companies were linked through shareholders or managers. These companies issued invoices between each other, submitted them for co-financing and then they cancelled these invoices.

*Example 2:* On the basis of an operational agreement with a development bank, a financial institution was in charge of granting loan supported with EU funding. There was a suspicion that the financial institution granted several loans to entities to which it was linked, in a situation of conflict of interest, which translated also in unequal treatment of potential loan-takers.

**Infringements of public procurement rules were the most reported among non-fraudulent violation, but only in 4% of these cases fraud was detected.** Despite this, one out of five Euro involved in irregularities related to public procurement were fraudulent. The low frequency of fraudulent cases suggests that either fraud detection, investigation and prosecution concerning public procurement or the administrative capability of contracting authorities should be improved.

#### 4.4. Risk analysis and spontaneous reporting

In the antifraud cycle, the capability of detecting fraud and irregularities is a key feature that helps making the system effective and efficient in protecting the EU budget. In the 2017 PIF Report, to boost the capability to detect irregularities, **the Commission recommended to the Member States to improve risk analysis and the use of spontaneous reporting** of potential irregularities and strengthening the protection of whistle blowers that are also a crucial source for investigative journalism<sup>110</sup>.

<sup>110</sup> Section 4.3 of the ‘29th Annual Report on the Protection of the EU’s financial interests – Fight against fraud – 2017’, COM(2018)553 final and ‘Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2018)386 final.



So far, **there has been little improvement on the ground in the use of risk analysis** (see Tables CP11, CP12 below<sup>111</sup>). Effectively shifting from reactive to proactive detections based on risk analysis can take time. In addition, non-fraudulent irregularities that are detected and corrected at the national level before the expenditure is included in a statement submitted to the Commission for reimbursement do not have to be reported. Therefore, if risk analysis has a higher impact in detecting these irregularities ‘earlier’, Tables CP11-CP12 below would not capture this. On the other hand, this exception does not apply to fraudulent irregularities, which Member States should always report, even if they detect the irregularities before they submit the expenditure to the Commission.

**Risk analysis has still a marginal contribution in detecting fraud, while information from civil society has a significant and growing role.** During the past five years, about one out of four irregularities has been detected following tips from informant, whistle-blowers, etc. and information published in the media (see Table CP11 below). During the previous five years (2012-2016) just one out of ten fraudulent irregularities were detected because of information from civil society.

Table CP11

Reason for performing control	Irregularities reported as fraudulent - Cohesion policy - Programming periods 2007-2013 and 2014-2020		
	2017-2021		
	N.	%	EUR
Risk analysis	14	1.2	2,738,280
Comparison of data	20	1.7	10,823,171
Probability checks	7	0.6	20,358,972
Statistical analysis		0.0	
Tip from informant, whistle-blower etc.	220	19.0	133,530,055
Information published in the media	49	4.2	627,410,780
Total EU27	1,160		2,824,402,579

**In relation to non-fraudulent irregularities, neither risk analysis nor information from civil society had a noticeable role in detection** (see Table CP12 below). There was no significant improvement with respect to the previous five years.

Table CP12

Reason for performing control	Irregularities not reported as fraudulent - Cohesion policy - Programming periods 2007-2013 and 2014-2020		
	2017-2021		
	N.	%	EUR
Risk analysis	444	3.6	49,682,109
Comparison of data	111	0.9	14,367,374
Probability checks	72	0.6	12,063,954
Statistical analysis	1	0.0	45,833
Tip from informant, whistle-blower etc.	208	1.7	45,051,611
Information published in the media	74	0.6	65,099,592
Total EU27	12,383		3,494,382,222

**The low share of irregularities detected following risk analysis suggests room for improvement in this domain.**

It is true that risk analysis might have a more important role in detecting irregularities before expenditure is introduced in a request for reimbursement to the Commission. These detections do not have to be reported in IMS and Tables CP11 and CP12 above are based on information from IMS only. However, this is valid only for non-fraudulent irregularities. As

<sup>111</sup> Besides risk analysis, other reasons that might indicate the use of some forms of risk analysis have also been added to the table (comparison of data, probability checks and statistical analysis).

already mentioned, fraudulent irregularities must always be reported in IMS, so for fraudulent irregularities the contribution of risk analysis to detections was certainly low.

In addition, analyses suggest that the *total error rate* (as an indicator of the amount of expenditure at risk and a proxy of the unknown value of the irregularities committed) tend to be higher than the *detection rate* (as a measure of the irregularities actually detected) in several Member States. The difference between total error rate and detection may be due to several reasons, including the functioning of the detection function of the management and control systems. This includes the possibility that, in some cases, there is no adequate follow up with reference to past operations on the risks identified during audit work.

**Detection may improve by strengthening ex-post risk analysis, in view of performing tailored checks.**

Checks before payment:

- may focus on single items of expenditure or single operations, in view of accepting them for reimbursement;
- may be carried out in a rather standard way and under time pressure, in view of respecting mandatory deadlines and facilitate legitimate business.

A significant part of the irregularities reported in IMS may be the outcome of the work of the national audit authorities, after payment. In the framework of the assurance package, the audit authorities target a number of operations selected on the basis of sampling methods where representativeness is the main leading principle, in view of projecting findings to the whole population of reference. Risk analysis can only have a limited role. In addition, audit work does not aim at detecting fraud.

Detection of fraud and irregularities could improve by adding to the above mentioned preventive checks and audits of operations also ex-post thematic risk analysis projects focusing on groups of past transactions. The choice of the groups of transactions could be based also (but not only) on the finding of previous audit work, including system audits. These risk analyses should consider these transactions in the wider context, including linking them to other transactions, considering links through beneficiaries, contractors, subcontractors, beneficial owners. They would result in selecting a number of transactions for tailored ex-post checks.

These risk analyses should be carried out by bodies that are external to the management authorities, to maximise positive incentives to detection. The involvement of the national Anti-fraud Coordination Services (AFCOS) could be considered, in line with the recommendation of the European Court of Auditors to expand the functions of these bodies to improve coordination<sup>112</sup>. In case the AFCOS has no powers for administrative checks following risk analysis, arrangements with national bodies with such powers would be needed. In case the analysis or the following administrative checks would lead to suspicion of fraud, this should be reported with no delay to the competent national bodies, in line with relevant national rules, to be further investigated.

#### 4.5. Antifraud and control activities by Member States

The present section aims to examine some aspects linked to the anti-fraud and control activities and results of Member States. Four elements are taken into account:

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<sup>112</sup> European Court of Auditors, Special Report 6/2019

- duration of irregularities (fraudulent and non-fraudulent). No analysis by Member State is presented in this section;
- the number of irregularities reported as fraudulent by each Member State;
- the ratio between the amounts involved in cases reported as fraudulent and the payments that occurred in relation to PP 2014-20 (FDR) and the ratio between the amounts involved in cases not reported as fraudulent and the payments that occurred in relation to PP 2014-20 (IDR);<sup>113</sup>
- the follow-up given to suspected fraud.

#### 4.5.1. Duration of irregularities

**Two third of the irregularities have been occurring over a period of time, averaging one year and a half.** With reference to the cohesion and fisheries policies, of the 6 411 non-fraudulent irregularities reported by the Member States in relation to PP 2014-2020, 4 074 (64% of the total) have been occurring over a period of time. For the 687 irregularities reported as fraudulent, this percentage was similar, at 68%. The remaining irregularities consisted of a single act identifiable on a precise date (33% of the non-fraudulent irregularities and 29% of the fraudulent irregularities) or irregularities for which Member States have not provided the necessary information. The average duration of the irregularities that occurred over a period of time was about 16 months.

**On average, it took more than one year to come to a suspicion that a fraudulent irregularity had been committed and one year and a half to close the case after reporting.** The average duration of the different phases a case can go through, from perpetration to case closure, is visualised in Figures CP16 and CP17 below.<sup>114</sup> For fraudulent irregularities, on average, it took 15 months to suspect that an irregularity had been or was being perpetrated. Once the suspicion arose, the Member States detected the fraudulent irregularity in three months. Then the fraudulent irregularity was reported to the Commission only eight months after detection. The average time from the reporting to the Commission to the case closure was one year and a half. For the non-fraudulent irregularities this took less than one year. This delay in closing fraudulent cases is consistent with the longer duration of criminal proceedings.

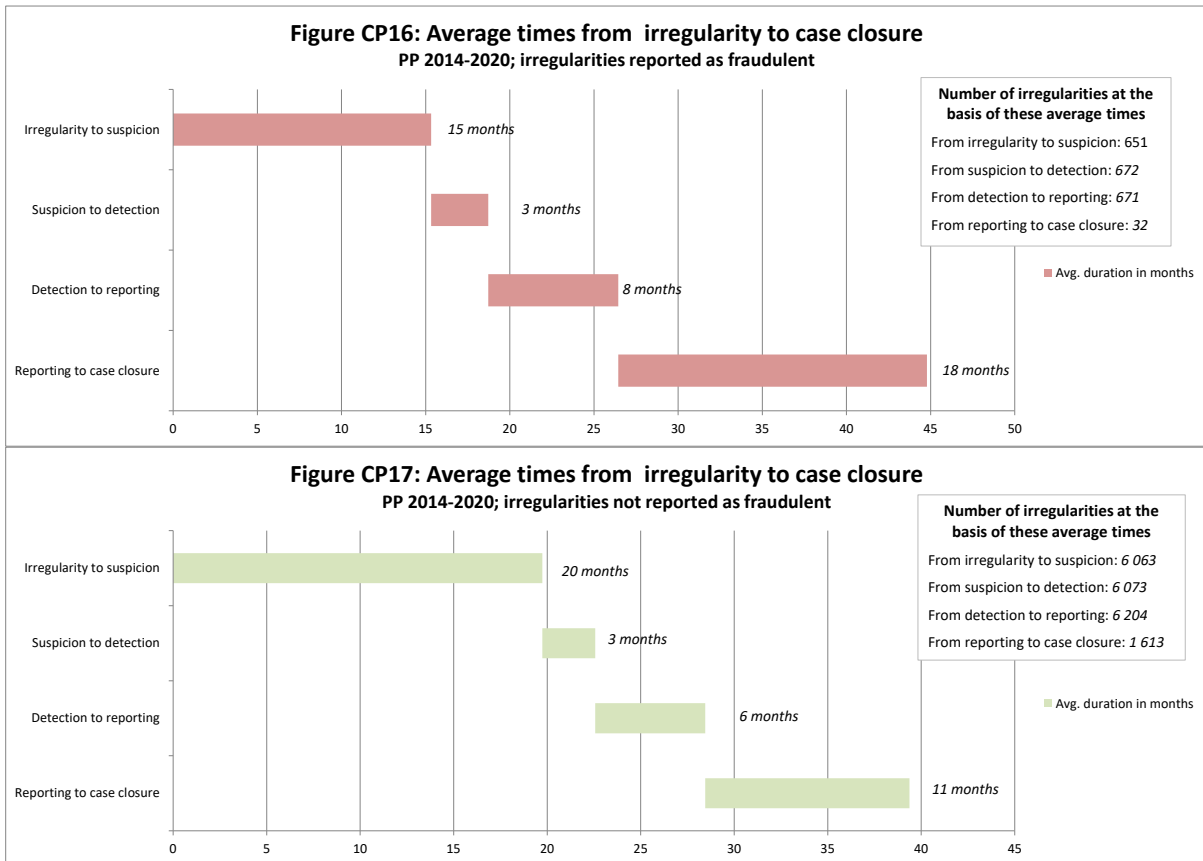
**These average times are expected to increase as the implementation of the operational programmes progresses.** Irregularities that are more craftily hidden or that are more difficult to investigate (and to close) will probably add as time passes, pushing these averages up. The average durations for the PP 2007-2013, which closed already in 2015, could be an interesting reference. They have been analysed in detail in the framework of the 2018 PIF Report<sup>115</sup>. Both for fraudulent and non-fraudulent irregularities, on average, it took nearly

<sup>113</sup> The Member States only have the obligation to report irregularities for which payment and inclusion of the expenditure concerned in a statement of expenditure submitted to the European Commission occurred. As a consequence, the IDR focuses on the 'repressive' side of the anti-fraud cycle and does not include the results of 'prevention' activities. This does not apply to the FDR, as fraudulent cases must be reported regardless.

<sup>114</sup> For the purpose of the analysis, (i) the date of the irregularity is the field 6.7.1 'From' in IMS, (ii) the date of the suspicion is the field 6.1 'Date' in IMS (when the information was received that led to the suspicion that an had been committed); (iii) the date of detection is the field 7.1 'Date of discovery (PACA) in IMS; (iv) the date of reporting is the field 'registration date' in IMS, (v) the date of closure is the field 12.1 'case closure date' in IMS. Irregularities are taken into consideration for the calculation of the average durations only if the date of the next step is not before the date of the previous step. For example, an irregularity for which the date of the suspicion is before the date of the start of the irregularity is not taken into consideration.

<sup>115</sup> 'Report from the Commission to the European Parliament and the Council – 30<sup>th</sup> Annual Report on the Protection of the European Union's Financial Interests – Fight against Fraud – 2018', COM(2019)444

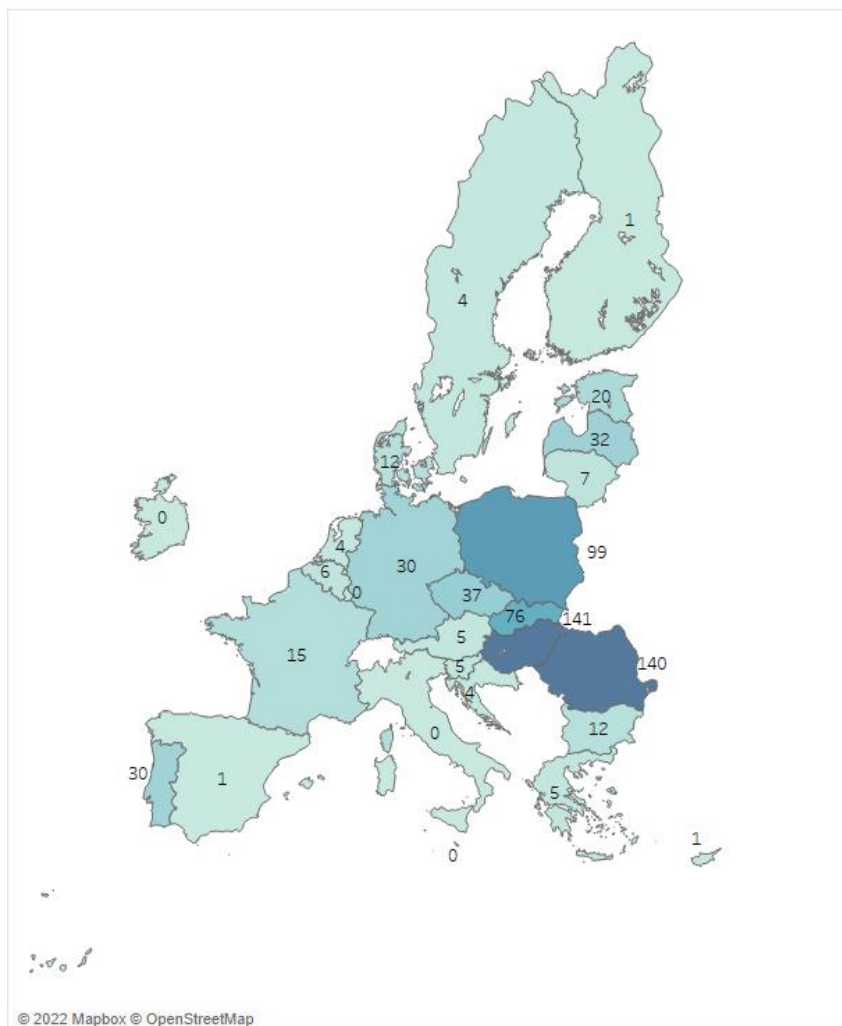
two and a half years to suspect that an irregularity had been or was being perpetrated. This is much higher than the current averages for PP 2014-2020, so they can be expected to increase. Once the suspicion arose, the Member State detected the irregularity in less than half a year. Then the irregularity was reported to the Commission eight months after detection. This is similar to PP 2014-2020. The average time from the reporting to the Commission to the case closure was nearly three years and 21 months, for fraudulent and non-fraudulent irregularities, respectively. This is much longer than the current averages for PP 2014-2020, so they can be expected to increase.



4.5.2. *Detection of irregularities reported as fraudulent by Member State*

Map CP1 shows the number of irregularities each Member State reported as fraudulent for PP 2014-2020. In Map CP1, the darker the Member State, the higher the number of detections.

Map CP1: Number of irregularities reported as fraudulent by Member State  
 Programming period 2014-2020  
 Cohesion and fisheries policies (EU27)



Past analysis based on PP 2007-2013 suggested that **the concentration of detections is not fully explained by the concentration of payments**<sup>116</sup>. This analysis was quite solid, as it was based on operational programmes closed several years before. This finding seems to be confirmed by the emerging differences in the fraud detection rates related to PP 2014-2020, even if implementation is still ongoing and data can change. The outcome of that analysis based on PP 2007-2013 could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities were reported. This analysis found that the divergence between the distribution of detections and the distribution of payments among Member States was smaller for the cohesion and fisheries policies than for CAP, especially in the case of fraudulent irregularities. This could suggest that when it comes to cohesion and fisheries policies Member States take a more similar approach to criminal investigation and prosecution to protect the EU budget or to report suspected fraud than when it comes to agriculture.

<sup>116</sup> Section 4.4.2 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final

#### 4.5.3. *Fraud detection rate*

The fraud detection rate (FDR) compares the results obtained by Member States in the fight against fraud with the payments they received. Given the multi-annual nature of cohesion programmes, focus is on the whole PP 2014-2020.

Table CP13 below shows data on fraud detection in the Member States for PP 2014-2020. For reference purposes, the FDR for PP 2007-2013 is also included in the table. These two FDRs cannot be directly compared. While PP 2007-2013 has already gone through the whole implementation cycle, **data for PP 2014-2020 are expected to change as implementation progresses. Many fraudulent irregularities are still to be detected.** The increase in the financial amounts involved in irregularities will be at least partly **counterbalanced by the increase in the payments made to the Member States.**<sup>117</sup>

The huge FDR recorded by **Romania** (12%) and **Slovakia** (nearly 10%) are due to single irregularities that involved huge financial amounts.<sup>118</sup> These irregularities also have a strong impact on the EU-27 FDR, which is higher than in PP 2007-2013. Excluding these outliers the FDR of Romania and Slovakia would be about 2% and the EU-27 FDR would be 0.24%. The FDR exceeded 0.1% only in Latvia, Portugal, Sweden, Hungary, Denmark, Estonia. In the **other Member States, the FDR was still close to zero.** Comparison with the values consolidated for PP 2007-2013 suggests that the FDRs for PP 2014-2020 are likely to change significantly in the coming years.

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<sup>117</sup> The FDR in Table CP13 and the IDR in Table CP14 are based on net payments. These include the pre-financing, which is frontloaded at the beginning of the programming period.

<sup>118</sup> Romania, one irregularity, accounting for EUR 1 270 million; Slovakia, 2 irregularities, accounting for EUR 300 million and 290 million, respectively.

Table CP13: Number of irregularities reported as fraudulent, amounts involved and fraud detection rate by Member State - Programming period 2014-20

Member State	Irregularities reported as fraudulent PP 2014-20		Payments PP 2014-2020 (1)		Fraud detection rate 2014-2020	Fraud detection rate 2007-2013
	Reported N	Amounts involved	EUR		%	%
		EUR	EUR			
AT	5	88,632	683,655,279	0.01	0.13	
BE	6	133,018	1,226,924,626	0.01	0.02	
BG	12	544,098	4,685,365,278	0.01	0.02	
CY	1	126,260	611,402,943	0.02	0.18	
CZ	37	6,002,293	15,691,219,490	0.04	1.01	
DE	30	3,769,982	12,189,461,540	0.03	0.12	
DK	12	870,189	443,006,824	0.20	0.04	
EE	20	4,054,746	2,841,720,914	0.14	0.31	
ES	1	46,455	19,604,659,331	0.00	0.06	
FI	1	425,525	1,115,365,126	0.04	0.00	
FR	15	10,015,907	9,631,467,549	0.10	0.02	
GR	5	6,550,881	14,138,543,297	0.05	0.11	
HR	4	1,570,541	4,393,398,613	0.04	0.28	
HU	141	34,794,027	16,446,375,408	0.21	0.05	
IE	0	0	949,693,285	0.00	0.00	
IT	0	0	22,366,820,736	0.00	0.43	
LT	7	465,412	5,228,515,552	0.01	0.08	
LU	0	0	110,034,795	0.00	0.00	
LV	32	15,650,704	2,971,688,545	0.53	0.71	
MT	0	0	464,474,007	0.00	0.04	
NL	4	160,025	809,000,277	0.02	0.26	
PL	99	46,585,899	58,842,053,790	0.08	0.63	
PT	30	39,301,552	17,356,974,143	0.23	0.78	
RO	140	1,519,306,018	12,783,035,090	11.89	0.94	
SE	4	2,588,916	1,176,300,537	0.22	0.00	
SI	5	818,085	2,272,818,829	0.04	0.62	
SK	76	755,313,720	7,837,203,191	9.64	0.95	
<b>TOTAL EU27</b>	<b>687</b>	<b>2,449,182,885</b>	<b>242,773,660,677</b>	<b>1.01</b>	<b>0.42</b>	
UK <sup>(2)</sup>	12	2,160,813	6,398,255,725	0.03	0.13	

(1) Net payments until 2021 from CF, ERDF, ESF, EMFF. Total includes payments related to cross border cooperation

(2) As of 1 February 2020, the UK is no longer part of the EU

Number of irregularities (size) and financial amounts involved (colour - see legend)



#### 4.5.4. Irregularity detection rate

This section focuses on the irregularity detection rate (IDR), which compares the results obtained by Member States in detecting non-fraudulent irregularities with the related payments.

**Slovakia** recorded the highest IDR, at more than 6.5%. **In line with the general deep decrease in non-fraudulent irregularities reported**, the IDR is above 1% only in Romania, Bulgaria, Greece. It is between 0.5% and 1% in Estonia, Austria, Croatia, Latvia, Czechia and Lithuania. **In all other Member States, IDR is below 0.5%.**

Table CP14: Number of irregularities not reported as fraudulent, amounts involved and irregularity detection rate by Member State - Programming period 2014-20

Member State	Irregularities not reported as fraudulent PP 2014-20		Payments PP 2014-2020	Irregularity detection rate 2014-2020 <sup>(1)</sup>	Irregularity detection rate 2007-2013
	Reported	Amounts involved			
	N	EUR	EUR	%	%
AT	50	3,869,912	683,655,279	0.57	2.19
BE	54	3,356,549	1,226,924,626	0.27	1.22
BG	248	59,777,984	4,685,365,278	1.28	2.46
CY	12	765,039	611,402,943	0.13	0.70
CZ	526	80,477,507	15,691,219,490	0.51	4.88
DE	236	22,528,675	12,189,461,540	0.18	0.53
DK	12	787,194	443,006,824	0.18	0.40
EE	232	25,502,034	2,841,720,914	0.90	0.90
ES	239	42,631,565	19,604,659,331	0.22	4.74
FI	34	1,185,657	1,115,365,126	0.11	0.25
FR	308	35,816,049	9,631,467,549	0.37	0.45
GR	111	173,255,681	14,138,543,297	1.23	4.07
HR	109	25,238,592	4,393,398,613	0.57	1.23
HU	446	77,744,189	16,446,375,408	0.47	1.55
IE	36	1,893,855	949,693,285	0.20	2.05
IT	291	52,990,979	22,366,820,736	0.24	1.34
LT	285	26,103,155	5,228,515,552	0.50	1.51
LU	1	14,259	110,034,795	0.01	0.42
LV	85	16,781,770	2,971,688,545	0.56	2.44
MT	12	1,208,432	464,474,007	0.26	1.86
NL	22	765,251	809,000,277	0.09	2.19
PL	1,898	291,200,665	58,842,053,790	0.49	2.01
PT	192	21,511,088	17,356,974,143	0.12	0.86
RO	480	165,983,308	12,783,035,090	1.30	3.33
SE	48	3,093,342	1,176,300,537	0.26	0.49
SI	29	2,480,997	2,272,818,829	0.11	1.33
SK	415	531,821,075	7,837,203,191	6.79	9.06
<b>TOTAL EU27</b>	<b>6,411</b>	<b>1,668,784,803</b>	<b>242,773,660,677</b>	<b>0.69</b>	<b>2.52</b>
UK <sup>(2)</sup>	1,318	32,418,030	6,398,255,725	0.51	2.22

(1) Net payments until 2021 from CF, ERDF, ESF, EMFF. Total includes payments related to cross border cooperation.  
(2) As of 1 February 2020, the UK is no longer part of the EU

Number of irregularities (size) and financial amounts involved (colour - see legend)



4.5.5. Follow-up to suspected fraud (programming period 2007-2013)

In the 2019 PIF Report, a new analysis of the follow-up Member States give to suspected fraud has been introduced. This analysis considers the irregularities that have been reported as suspected fraud from 2007 to 2013 and look at whether these irregularities have been dismissed (meaning whether they have been de-classified to administrative irregularities), they are still pending as suspected fraud or they have been confirmed as established fraud (following a final verdict). The details about the methodology for this analysis can be found in the 2019 PIF.<sup>119</sup>

Table CP15 includes the update of the *dismissal ratio*, *established fraud ratio* and *pending ratio*. The *dismissal ratio* gives the percentage of fraudulent irregularities that have been reclassified as non-fraudulent during their lifetime, until end of 2021.<sup>120</sup> The *established fraud ratio* gives the percentage of fraudulent irregularities that were classified as established

<sup>119</sup> See Section 4.4.5. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final (part 2/3)

<sup>120</sup> IRQ2 stands for non-fraudulent irregularities, IRQ3 stands for suspected fraud, IRQ5 stands for established fraud. The following paths are considered for the *dismissal ratio*: IRQ3IRQ2, IRQ2IRQ3IRQ2, IRQ3IRQ5IRQ3IRQ2, IRQ3IRQ5IRQ2, IRQ5IRQ2.



fraud by the end of 2021.<sup>121</sup> The *pending ratio* gives the percentage of fraudulent irregularities that were still classified as suspected fraud at the end of 2021.<sup>122</sup> These three percentages sum to 100%.

Table CP15 - Programming period 2007-2013, irregularities reported during the period 2007-2013

Member State	Dismissal		Established fraud		Pending	
	N.	Ratio %	N.	Ratio %	N.	Ratio %
AT	0	0	1	17	5	83
BE	0	0	0	0	2	100
BG	11	39	1	4	16	57
CY	0	0	1	17	5	83
CZ	31	60	7	13	14	27
DE	16	15	50	45	44	40
EE	1	17	2	33	3	50
ES	3	75	0	0	1	25
FI	3	100	0	0	0	0
FR	0	0	0	0	1	100
GR	0	0	3	14	18	86
HU	0	0	0	0	6	100
IE	0	0	0	0	2	100
IT	32	47	1	1	35	51
LT	0	0	0	0	9	100
LV	6	18	8	24	20	59
MT	0	0	0	0	14	100
PL	38	30	16	13	73	57
PT	1	9	0	0	10	91
RO	1	2	2	4	52	95
SE	2	67	0	0	1	33
SI	7	54	1	8	5	38
SK	11	69	5	31	0	0
<b>EU27</b>	<b>163</b>	<b>27</b>	<b>98</b>	<b>16</b>	<b>336</b>	<b>56</b>

Similar to the situation up to 2019, 27% of the irregularities reported as fraudulent were dismissed and reclassified as non-fraudulent by the end of 2021. Another 56% of these irregularities were still pending. This may point to a significant underestimation of the *dismissal ratio*, because part of these cases that are still classified as suspected fraud are already closed. In any case, between 8 and 15 years have already passed since the detection of the irregularity and the more time passes the less it can be expected that fraud will actually be established.

The *dismissal ratio* varied across the Member States. High *dismissal ratios*, especially when associated with high *pending ratios*, may be due either to the detection phase or to the investigation/prosecution phase. Low *dismissal ratios* may be positive, but they may also be the result of many irregularities still pending. After eight years following the end of the period under consideration, the *dismissal ratio* was zero or very low in many Member States. This indicator must be read in combination with the *pending ratio*. The latter points to the possibility that the *dismissal ratio* increases in the future (depending on the number of pending cases that are still open) or to an underestimation of the *dismissal ratio* (depending on the number of pending cases that are already closed). The *dismissal ratio* also depends on

<sup>121</sup> The following paths are considered for the *established fraud ratio*: IRQ3IRQ5, IRQ2IRQ3IRQ5, IRQ2IRQ5, IRQ5, IRQ2IRQ3IRQ2IRQ3IRQ5

<sup>122</sup> The following paths are considered for the *pending ratio*: IRQ3, IRQ2IRQ3, IRQ5IRQ3, IRQ3IRQ2IRQ3, IRQ2IRQ3IRQ2IRQ3, IRQ3IRQ5IRQ3

the stage of the procedure when an irregularity is classified as suspected fraud. For example, if such classification takes place when the administrative authority forwards a case to the prosecution service, dismissal is more likely. If an irregularity is classified as suspected fraud only when a prosecutor requests the indictment, dismissal is less likely.

**The cases of established fraud were few. This may point to the need to further invest in the investigation/prosecution phase.** At EU-27 level, the *established fraud ratio* was about 16%. It ranged from zero or about zero, in nearly half of the Member States, to 45%, in Germany. The *established fraud ratio* is not likely to increase significantly because, while 56% of cases are still classified as suspected fraud (*pending ratio*), part of them are already closed and, in any case, between 8 and 15 years have already passed since the detection of the irregularity. Similarly to the *dismissal ratio*, also the *established fraud ratio* depends on the stage of the procedure when an irregularity is classified as suspected fraud (see above).

#### 4.6. Other internal policies

Other Funds are used under shared management to finance other internal policies. Tables CP16 and CP17 below provide an overview of all the irregularities and related financial amounts reported by the Member States up to 2021 with reference to the:

- *Asylum, Migration and Integration Fund (AMIF)*: This Fund was set up for the period 2014-2020, with a total envelope of EUR 7.7 billion. It is meant to promote the efficient management of migration flows and the implementation, strengthening and development of a common EU approach to asylum and immigration. The largest proportion of the AMIF (approximately 62%) is channelled through shared management. Member States implement their multiannual national programmes, which the responsible national authorities prepare, implement, monitor and evaluate, in partnership with the relevant stakeholders in the field, including the civil society. All Member States except Denmark participate in the Fund's implementation. Beneficiaries of the programmes implemented under the AMIF include state and federal authorities, local public bodies, non-governmental organisations, humanitarian organisations, international organisations and public law companies and education and research organisations.
- *Fund for European Aid to the Most Deprived (FEAD)*: Over EUR 3.8 billion are earmarked for this Fund for the period 2014-2020. The FEAD supports Member States in providing material assistance to the most deprived, including food, clothing and other essential items for personal use. Material assistance has to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty. National authorities may also support non-material assistance to the most deprived people to help them integrate better into society. Following the Commission's approval of national programmes, national authorities decide on the delivery of the assistance through partner organisations (public bodies or often non-governmental organisations).
- *European Globalisation Adjustment Fund (EGF)*: This Fund provides support to people who lose their jobs as a result of major structural changes in world trade patterns due to globalisation or as a result of the global economic and financial crisis. The EGF has a maximum annual budget of EUR 150 million for the period 2014-2020. It can fund up to 60% of the cost of projects designed to help workers made redundant find another job or set up their own business. EGF cases are managed and implemented by national or regional authorities. Each project runs for 2 years.
- *Internal Security Fund (ISF)*: This Fund was set up for the period 2014-2020, with a total envelope of EUR 4.2 billion. The Fund promotes the implementation of the internal security strategy, law enforcement cooperation and the management of the EU's external borders.

The 2014-2020 ISF is composed of two instruments, ISF Borders and Visa (B&V) and ISF Police. For the 2014-2020 period:

- EUR 3 billion is available to fund actions under the ISF B&V instrument, of which EUR 2.4 billion are to be channelled through shared management. All Member States except Ireland participate in the implementation. The United Kingdom also does not participate;
  - about EUR 1.2 billion is available to fund actions under the ISF Police instrument, of which EUR 754 million are to be channelled through shared management. All Member States except Denmark participate in the implementation. The United Kingdom also does not participate.
- *Youth Employment Initiative (YEI)*: While supporting the Youth Guarantee, the YEI is aimed at young people who are not in education, employment or training (NEETs), including the long-term unemployed or those not registered as job-seekers. It ensures that in parts of Europe where the challenges are most acute, young people can receive targeted support. The YEI's total budget is EUR 8.8 billion for the period 2014-2020. Of the total budget of EUR 8.8 billion, EUR 4.4 billion comes from a dedicated youth employment budget line, which is complemented by another EUR 4.4 billion more from ESF national allocations.

**The FEAD was the Fund most affected by fraud.** Financial amounts involved in these irregularities tend to be high. More than half of the irregularities reported as fraudulent were related to the FEAD and they represented 98% of the irregular financial amounts. The average financial amounts of these cases was nearly EUR 1 million and this was not due just to one case; 6 out of 8 cases ranged between about EUR 850 000 and EUR 1.8 million.

Table CP16: Number of irregularities and financial amounts reported as fraudulent by the Member States - AMIF, FEAD, EGF, ISF and YEI

FUND	REPORTING YEAR										TOTAL	
	2017		2018		2019		2020		N	EUR		
	N	EUR	N	EUR	N	EUR	N	EUR				
AMIF	0	0	0	0	0	0	0	1	42,455	1	42,455	
FEAD	0	0	3	4,701,019	3	3,166,046	2	48,160	8	7,915,225		
YEI	1	43,558	0	0	4	72,771	0	0	5	116,329		
<b>TOTAL EU27</b>	<b>1</b>	<b>43,558</b>	<b>3</b>	<b>4,701,019</b>	<b>7</b>	<b>3,238,817</b>	<b>3</b>	<b>90,615</b>	<b>14</b>	<b>8,074,009</b>		

More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: AMIF, the FEAD and the YEI. After a slight decrease in 2019, **the number of AMIF irregularities increased in 2020**, exceeding also the level reached in 2018, **and dropped in 2021. The reporting of FEAD irregularities has been increasing since 2020**, with higher financial amounts involved than with the AMIF. **However, half of the irregular financial amounts were associated with the YEI.**

Table CP17: Number of irregularities and financial amounts not reported as fraudulent by the Member States - AMIF, FEAD, EGF, ISF and YEI

FUND	REPORTING YEAR														TOTAL	
	2016		2017		2018		2019		2020		2021		N	EUR		
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR				
AMIF	0	0	1	11,951	22	1,676,990	19	536,449	32	1,069,719	6	183,761	80	3,478,870		
EGF	0	0	0	0	0	0	0	0	1	47,124	0	0	1	47,124		
FEAD	3	463,921	5	813,205	10	1,097,393	4	873,764	14	1,269,110	24	1,900,290	60	6,417,683		
ISF	1	178,812	0	0	3	419,000	1	223,018	3	81,182	8	462,535	16	1,364,547		
YEI	0	0	3	1,045,224	9	3,559,278	8	3,153,228	6	395,478	7	1,748,415	33	9,901,622		
<b>TOTAL EU27</b>	<b>4</b>	<b>642,733</b>	<b>9</b>	<b>1,870,380</b>	<b>44</b>	<b>6,752,661</b>	<b>32</b>	<b>4,786,459</b>	<b>56</b>	<b>2,862,613</b>	<b>45</b>	<b>4,295,001</b>	<b>190</b>	<b>21,209,846</b>		

## MAIN FINDINGS

### *Fraudulent irregularities*

Fraudulent irregularities related to PP 2007-2013 peaked in 2015, gradually decreased in the following years and in 2018 they were overtaken by those related to PP 2014-2020. Reporting related to PP 2014-2020 basically started in 2017. It has been fluctuating around an increasing trend, with ups in 2018 and 2020 and downs in 2019 and 2021. These dynamics are in line with known trends and patterns in the detection and reporting of irregularities and are linked to the implementation cycle of multiannual programmes. For PP 2014-2020, the financial amounts skyrocketed in 2018 and 2021, but just because of single cases with huge amounts involved.

Also because of the higher share of EU financing channelled through it, ERDF was the Fund most affected by fraud, as it had the highest number of cases reported as fraudulent, and the related financial amounts were the highest. Since 2019, the number of ERDF fraudulent irregularities related to PP 2007-2013 has been rather low and stable, while the number of those related to PP 2014-2020 has been fluctuating around an increasing trend. After a decrease in 2017, the number of ESF fraudulent irregularities has been rather stable. Since 2010, potential fraud affecting the CF is regularly reported. In 2020, the majority of detections took place in Romania, while in 2018 it was Slovakia reporting most cases.

### *Non-fraudulent irregularities*

The decrease in the number of non-fraudulent irregularities and financial amounts related to PP 2007-2013 was significant. This is in line with the multiannual nature of these structural programmes, which were closed already in 2015.

Basically, reporting related to PP 2014-2020 began in 2016. Since then, these detections and irregular financial amounts have been increasing for all Funds, but less than expected when compared to the previous programming period. In 2021, despite a slight increase in the number of reported irregularities, the financial amounts involved significantly rose, because of single cases with huge amounts involved.

As for the fraudulent irregularities, trends in financial amounts are also due to different reporting patterns in the Member States, in terms of the tendency to detect irregularities with high or low financial amounts involved and the tendency to detect irregularities that covered a significant or marginal share of the whole expenditure in the relevant project.

### *Is reporting for PP 2014-2020 in line with past trends?*

Apart from outliers, the number and financial amounts reported as fraudulent for PP 2014-2020 were in line with those detected for PP 2007-2013 after a comparable period from the start of the programming period.

Focusing instead on the non-fraudulent irregularities, the fall in the number and financial amounts reported after 8 years from the start of the programming period is striking. The gap is significant for all Funds.

Analysis suggests the following potential causes covering a significant part of the decline:

- The implementation of the operational programmes under PP 2014-2020 has been delayed when compared with what the progress of implementation was under PP 2007-2013.

- These was a noticeable change in the reporting of irregularities below the threshold of EUR 10 000. This may be due a change in the reporting practices or to less instances of small interlinked cases reported separately.
- For PP 2014-2020, the possibility to use simplified cost options (SCOs) has been extended. For the ESF, the increase in the percentage of expenditure covered by SCOs may be a significant factor contributing to the drop in non-fraudulent irregularities.
- For PP 2014-2020, the annual accounts have been introduced, with the new possibility of excluding expenditure under assessment of legality and regularity without a reduction in the support by the Fund. This may have brought a more orderly treatment of irregularities.

Also changes in the derogations to reporting, which entered into force in 2009, might have played a role, in case Member State were slow in adapting their reporting practices.

There are no indicators to gauge the increase in the capability of the implementing bodies and of the beneficiaries and the impact that this could have had in terms of decrease of unintentional irregularities. However, this can be an additional factor contributing to the trend in non-fraudulent irregularities. Capacity building actions may have been put in place in recent years and this is relevant, especially in case implementing bodies and beneficiaries during PP 2014-2014 are the same as during PP 2007-2013.

Member States should assess the extent to which these potential explanations and other possible explanations actually apply to their operational programmes, with the aim of implementing corrective measures in case the decline may be due to less effective detection and reporting.

#### *Irregularities by area of the cohesion policy*

Concerning fraud, risks seem to be higher in the areas of the cohesion policy related to:

- transport and environment protection, because of the high financial amounts involved in fraudulent irregularities;
- research, technological development and innovation (RTD&I) and employment, because of the frequency of fraudulent irregularities.

Concerning non-fraudulent irregularities, RTD&I and inclusion were areas with very high number of cases and/or financial amounts involved. As for fraudulent irregularities, also for non-fraudulent irregularities, the irregular financial amounts involved in transport were disproportionately high.

#### *Green transition*

Concerning fraud in relation to the green transition, analysis suggests higher risks for investments in:

- energy efficiency (contributing to the transition to low-carbon economy), because of the number of fraudulent irregularities. When specified, they mostly concerned renovation of existing housing stock and were about conflict of interests in procurement or incorrect documents;
- provision of drinking water (contributing to environment protection), because of the financial amounts involved;
- waste management (contributing to environment protection), both in terms of number of fraudulent irregularities and financial amounts. Most of these fraudulent irregularities concerned household waste management and public procurement.

Concerning non-fraudulent irregularities in relation to the green transition, analysis suggests higher risks for investments in:

- water management, because of the financial amounts involved on the irregularities;
- energy efficiency, including the renovation of public infrastructure, and waste management, because of the number of irregularities.
- renewable energy (solar) and risk prevention, because of the number of irregularities and, for risk prevention, because of the financial amounts involved in the irregularities.

#### *Research, technological development and innovation*

Research, technological development and innovation was an area at risk, with frequent irregularities and the high financial amounts involved, in particular with reference to assistance to these activities in SMEs. For the latter, the most recurrent fraudulent violations concerned the documentary proof, in particular false or falsified documents. There were also a significant number of fraudulent cases of conflict of interests.

Activities in research centres and the technology transfer contributed to the total number of non-fraudulent irregularities affecting research and innovation. However, this seems to be more in line with the share of expenditure declared for these intervention fields.

#### *Transport and networks*

Concerning fraud in relation to transport and networks, analysis suggests higher risks for investments in:

- roads that are not part of TEN, because of the number of fraudulent irregularities, which is probably linked to the higher number of projects, which reach the regional or local level. The most frequent violations concerned the documentary proof, in particular false or falsified documents. There were several cases concerning ethics and integrity, including conflict of interests and corruption, and several cases related to public procurement;
- railways and TEN roads, because of the high financial amounts involved in fraudulent irregularities;

Concerning non-fraudulent irregularities in relation to transport and networks, analysis suggests higher risks for investments in:

- roads, with higher financial amounts involved in TEN investments;
- no TEN railways, because of the number of irregularities and TEN railways, because of the financial amounts involved;
- TEN multimodal transport investments;
- investments in the electricity networks, because of the number of irregularities despite the low amount of expenditure declared so far in this area.

#### *Digital transition*

Fraudulent irregularities related to the digital transition were not frequent and they concerned services and applications both for SMEs and for e-Government, with higher financial amounts involved in the latter.

Non-fraudulent irregularities were more frequent. The number of irregularities related to services and applications for SMEs was more significant than that related to e-Government, when considering the lower amount of expenditure declared in services and applications for

SMEs. However, the financial amounts involved in irregularities related to services and applications for e-Government were higher. Non-fraudulent irregularities were reported also in relation to investments in the infrastructure for the digital transition.

#### *Social inclusion, poverty and discrimination*

Concerning fraud in relation to social inclusion, poverty and discrimination, analysis suggests higher risks for investments in:

- active inclusion, because of the number of fraudulent irregularities. The most recurrent violations were about the implementation of the action or the documentary proof (in particular false documents);
- health infrastructure, because of the financial amounts involved in fraudulent irregularities. In addition, fraudulent irregularities impacted also on the funding for the improvement of access to services, which include healthcare, and most of the times, these violations were about the non or partial implementation of the action.

Concerning non-fraudulent irregularities, analysis suggests higher risks for investments in:

- social infrastructure and projects for urban and rural regeneration;
- improved access to health care and social services and investments in favour of marginalised communities, because of the financial amounts involved in irregularities, and child infrastructure, because of the number of cases despite low expenditure declared.

#### *Promoting sustainable and quality employment and supporting labour mobility*

Concerning fraud in relation to the promotion of employment and labour mobility, analysis suggests higher risks for investments in the adaptation to change of workers and enterprises, in particular operations for the design and dissemination of innovative and more productive ways of working. For these operations, the majority of violations concerned the non-implementation of the action or conflict of interests, including combined in the same irregularity. In a number of cases, conflict of interests was combined with multiple financing. Infringements related to the documentary proof were also recurrent, often because of false or falsified documents.

Concerning non-fraudulent irregularities, analysis suggests higher risks for investments in:

- access to employment, in particular operations for job-seekers and inactive people, including the long-term unemployed and people far from the labour market;
- support for self-employment and business start-up, because of the number of fraudulent irregularities.

#### *Irregularities by type*

Concerning fraudulent irregularities, the most frequent violations were about supporting documents, in particular the use of false or falsified documents.

High financial amounts were involved in fraudulent irregularities were infringements of contract provisions/rules took place. Fraud often consisted in incomplete or non-implementation of the funded action.

Most of fraudulent violations concerning ethics and integrity were about conflict of interests. Ethics and integrity is the category of infringement with the highest frequency of fraud.

Infringements of public procurement rules were the most reported among non-fraudulent violation, but only in 4% of these cases fraud was detected. The low frequency of fraudulent

cases suggests that either fraud detection, investigation and prosecution concerning public procurement or the administrative capability of contracting authorities should be improved.

#### *Risk analysis and spontaneous reporting*

Risk analysis has still a marginal contribution in detecting fraud, while information from civil society has a significant and growing role. During the past five years, about one out of four irregularities has been detected following tips from informant, whistle-blowers, etc. and information published in the media.

In relation to non-fraudulent irregularities, neither risk analysis nor information from civil society had a noticeable role in detection. There was no significant improvement with respect to the previous five years.

Detection of fraud and irregularities could improve by adding to preventive checks before payments and audits of operations also ex-post thematic risk analysis projects focusing on groups of past transactions. The choice of the groups of transactions could be based also (but not only) on the finding of previous audit work, including system audits. These risk analyses should consider these transactions in the wider context, including linking them to other transactions, considering links through beneficiaries, contractors, subcontractors, beneficial owners. These risk analysis projects should be carried out by bodies that are external to the management authorities and would result in selecting a number of transactions for tailored ex-post checks. The involvement of the national Anti-fraud Coordination Services (AFCOS) could be considered.

#### *Antifraud and control activities by the Member States*

Two third of the irregularities have been occurring over a period of time, averaging one year and a half. The rest of the irregularities consisted of a single act identifiable on a precise date. On average, it took more than one year to come to a suspicion that a fraudulent irregularity had been committed and one year and a half to close the case after reporting. These average times are expected to increase as the implementation of the operational programme progresses.

With reference to PP 2014-2020, the Fraud Detection Rates recorded by Romania (12%) and Slovakia (nearly 10%) were huge, but due to single irregularities that involved enormous financial amounts. These irregularities also had a strong impact on the EU-27 FDR, which was about 1% and higher than in PP 2007-2013. The FDR exceeded 0.1% only in Latvia, Portugal, Sweden, Hungary, Denmark, Estonia.

With reference to PP 2014-2020, Slovakia recorded the highest Irregularity Detection Rate, at more than 6.5%. In line with the general deep decrease in non-fraudulent irregularities reported, the IDR was above 1% only in Romania, Bulgaria, Greece. At EU-27 level, IDR was about 0.7%, much lower than in PP 2007-2013.

These FDRs and IDRs for PP 2014-2020 are likely to change significantly in the coming years, with progress in the implementation of the operational programmes.

About one fourth of the irregularities reported as fraudulent were dismissed. The dismissal ratio varied across the Member States. High dismissal ratios, especially when associated with a high number of still pending cases, may be due to (i) a detection phase that leads to report to the judicial authority cases that were not fraudulent; (ii) an investigation/prosecution phase that gives low priority or does not have enough resources to properly address the case; (iii) the stage of the procedure when an irregularity is classified as suspected fraud.

Analysis suggests that the dismissal ratio is significantly underestimated. About 56% of the irregularities reported as fraudulent were still pending. However, for part of them no changes



of status are to be expected, because they are closed cases. In any case, between 8 and 15 years have already passed since the detection of the irregularity. There were few cases of established fraud. This may indicate the need to invest further in the investigation/prosecution phase.

*Other shared management funds*

Concerning shared management Funds to finance other internal policies, the FEAD was the Fund most affected by fraud. Financial amounts involved in these irregularities tend to be high, as the average financial amounts of these cases was nearly EUR 1 million.

More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: AMIF, the FEAD and the YEI. After a slight decrease in 2019, the number of AMIF irregularities increased in 2020, exceeding also the level reached in 2018, and dropped in 2021. The reporting of FEAD irregularities has been fluctuating during the period, with higher financial amounts involved than for the AMIF. Half of the irregular financial amounts were associated with the YEI.

## 5. PRE-ACCESSION POLICY

### EXECUTIVE SUMMARY

Irregularities reported during the period 2017-2021 in relation to pre-accession occurred in connection with funds distributed under Pre-accession Assistance (2000-2006, PAA), the Instrument for Pre-accession Assistance I 2007-2013 (IPA I) and the Instrument for Pre-accession Assistance II 2014-2020 (IPA II). About 19% of these irregularities were reported as fraudulent. This percentage (fraud frequency level – FFL) changed over time, increasing in 2019 and peaking in 2021 at 25%. In 2021, nearly 60% of cases and more than 70% of the related financial amounts were reported by Turkey.

There was just one non-fraudulent irregularity related to PAA reported in 2021, while the latest fraudulent irregularities were detected in 2018. This is in line with the implementation cycle of the PAA programmes, which covered the period 2000-2006. Since 2000, 14 beneficiary countries have reported 3 269 irregularities (accounting for around EUR 416 million). The three most affected funds were SAPARD (rural development), PHARE (institution building, cohesion and cross border cooperation) and ISPA (large infrastructure). In terms of financial amounts, ISPA was more affected than PHARE, even though ISPA accounted for fewer irregularities. This is in line with the larger size of the projects funded by ISPA. Most of the irregularities related to SAPARD were reported by Romania, followed by Bulgaria and Poland. Most of the irregularities related to PHARE were evenly split between Romania and Bulgaria. Reporting from Romania accounted for the bulk of irregularities related to the ISPA programme.

About 65% of the irregularities reported during the past 5 years were still related to IPA I, although the number of such irregularities fell markedly in the last two years. The fraud frequency level was 18% over the past five years, although in 2019 it exceeded 30%. Since 2007, 10 beneficiary countries have reported 860 irregularities (accounting for EUR 76 million). The highest number of irregularities concerned IPARD (the successor of SAPARD for rural development), with over 87% of the irregularities detected by Turkey. Only two other countries, Croatia and North Macedonia, reported IPARD cases. A broader range of countries reported irregularities concerning cross border cooperation (CBC); this was the second most affected component of IPA I. The majority of these irregularities were reported by Bulgaria. Turkey reported 76% of the irregularities related to human resources development (HRD) programmes, the third most affected component of IPA I.

2017 saw the start of irregularities reporting for IPA II. The number of irregularities reported fell markedly in 2020, to bounce back in 2021. During the past 5 years, the fraud frequency level was 19%, close to the FFL for IPA I. The two main contributors to detection were Turkey and North Macedonia, which together reported about 77% of irregularities and 82% of the related financial amounts. More than 76% of the 227 irregularities related to IPA II (accounting for EUR 5 million) concerned IPARD. The only other component with more than 20 irregularities was cross border cooperation. Most of these irregularities were detected by Serbia and Bulgaria.

## 5.1. Introduction

Section 5 presents a statistical evaluation of irregularities and fraud detected by the beneficiary countries during 2021 with reference to the pre-accession policy. It places these detections in the context of past years and relevant programming periods.

The EU provides pre-accession assistance to candidate countries and potential candidates for EU membership to support them in meeting the accession criteria and to bring their institutions and standards in line with the EU *acquis*<sup>123</sup>. The current candidate countries are Albania, Montenegro, North Macedonia, Serbia and Turkey; potential candidates are Bosnia and Herzegovina and Kosovo<sup>124</sup>.

In the whole section, when reference is made to ‘fraudulent’ or ‘fraud’, it includes ‘suspected fraud’ and ‘established fraud’.

## 5.2. Instruments for Pre-accession Assistance

### 5.2.1. Before 2007: Pre-accession Assistance (PAA)

Before 2007, the EU provided pre-accession assistance to candidate countries through a number of separate instruments. The PHARE programme provided support for institution-building measures and associated investment, as well as funding measures to promote economic and social cohesion and cross border cooperation. The ISPA programme dealt with large-scale environmental and transport infrastructure projects, while the SAPARD programme supported agricultural and rural development. For the programme years 2002-2006, Turkey received assistance under the specific pre-accession-oriented framework of the Pre-accession Financial Assistance for Turkey (TIPAA). The CARDS programme was the main financial instrument to promote stability in the Western Balkans and facilitate the region’s closer association with the EU. The countries that joined the EU in 2004<sup>125</sup> received a Transition Facility (TF) in 2004-2006, as did Bulgaria and Romania in 2007-2010. All pre-2007 programmes and projects have been completed.

### 5.2.2. 2007-2013: The Instrument for Pre-accession Assistance (IPA I)

For the period 2007-2013, the EU supported reforms in the ‘enlargement countries’ (i.e., the candidate countries Albania, Montenegro, North Macedonia, Serbia, and Turkey and potential candidates Bosnia and Herzegovina and Kosovo), providing financial and technical help via the Instrument for Pre-accession Assistance (IPA I)<sup>126</sup>. IPA I funds built up the capacities of these countries throughout the accession process. IPA I had a budget of about EUR 11.5 billion and consisted of five components<sup>127</sup>.

The five components of IPA I were: (i) transition assistance and institution building (TAIB); (ii) cross border cooperation (CBC); (iii) regional development (transport, environment and economic development) (REGD); (iv) human resource development (strengthening human capital and combatting exclusion) (HRD); and (v) rural development (IPARD). Candidate countries were eligible for all five components; potential candidates were eligible only for the first two<sup>128</sup>.

<sup>123</sup> Source: [https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/preaccession-assistance\\_en](https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/preaccession-assistance_en)

<sup>124</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<sup>125</sup> Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.

<sup>126</sup> See Council Regulation (EC) 1085/2006 of 17 July 2006, OJ L 210, 31.7.2006, p. 82-93.

<sup>127</sup> Source: [https://ec.europa.eu/neighbourhood-enlargement/instruments/overview\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en).

<sup>128</sup> Source: [https://ec.europa.eu/regional\\_policy/en/funding/ipa/](https://ec.europa.eu/regional_policy/en/funding/ipa/).

The policy and programming of IPA I consisted of (i) multiannual indicative financial framework on a three-year basis, established by country, component and theme; and (ii) multiannual indicative planning documents per country or per groups of countries (regional and horizontal programmes). The candidate countries also had to submit strategic coherence frameworks and multiannual operational programmes for the third and fourth component. Their principal aim was to prepare beneficiary countries for the future use of cohesion policy instruments by closely imitating its strategic documents, national strategic reference framework and operational programmes, and management modes.

### 5.2.3. 2014 – 2020: *The Instrument for Pre-accession Assistance (IPA II)*

For the period 2014-2020, IPA II built on the results achieved under IPA I and set a new framework for providing pre-accession assistance. The primary innovation of IPA II is its strategic focus on specific objectives. The multiannual financial framework for 2014-2020 allocated EUR 12.8 billion for the instrument<sup>129</sup>.

Financial assistance under IPA II pursues four specific objectives: (i) support for political reforms; (ii) support for economic, social and territorial development; (iii) strengthening the beneficiaries' ability to fulfil (future) obligations stemming from EU membership by supporting progressive alignment with the EU *acquis*; and (iv) strengthening regional integration and territorial cooperation. The IPA II Regulation limits financial assistance to five policy areas: (i) reforms in preparation for EU membership and related institution-and capacity-building; (ii) socio-economic and regional development; (iii) employment, social policies, education, promotion of gender equality, and human resources development; (iv) agriculture and rural development; and (v) regional and territorial cooperation.

To provide an individual implementation framework for each beneficiary, country strategy papers were drafted, identifying sectors where improvements were necessary to advance membership goals. The priorities outlined in these papers were translated into detailed actions, included in annual or multiannual action programmes that take the form of financing decisions adopted by the European Commission.

The bulk of IPA II assistance is channelled through the country action programmes; these are the main vehicles for addressing country-specific needs in priority sectors as identified in the indicative strategy papers. Additionally, IPA II funded multi-country action programmes to enhance regional cooperation, particularly in the Western Balkans. Financial assistance was also provided via cross border cooperation programmes to encourage territorial cooperation between IPA II beneficiaries and via rural development programmes to encourage the development of rural areas.

In accordance with the Financial Regulation, IPA II-funded activities are managed either directly (meaning that the Commission implements them directly until the relevant national authorities are accredited to manage the funds) or indirectly (meaning that the Commission delegates the management of certain actions to external entities, while still retaining overall final responsibility for the general budget execution). Cross border cooperation programmes with Member States are administered via shared management, meaning that implementation tasks are delegated to the Member States.

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<sup>129</sup> See Regulation (EU) 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), OJ L 77, 15.3.2014, p. 11–26 and [https://ec.europa.eu/neighbourhood-enlargement/instruments/overview\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en).

#### 5.2.4. 2021 – 2027: The Instrument for Pre-accession Assistance (IPA III)

The general objective of the new IPA III instrument is to support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.

IPA III will leverage support to reforms fostering sustainable socio-economic development and bringing the partners closer to the Union's values and standards.

The new programming framework 2021-2027 reflects the specific objectives of the IPA III Regulation and focuses on the priorities of the enlargement process according to five thematic windows, which mirror the clusters of negotiating chapters as per the revised enlargement methodology.

For the new multiannual financial framework period 2021-27, the IPA III budgetary envelope is EUR 14.2 billion<sup>130</sup>.

#### 5.3. General analysis

This section focuses on the 700 irregularities reported during the period 2017-2021, in relation to pre-accession funds.<sup>131</sup> These irregularities occurred in connection with funds distributed under the 2000-2006 PAA<sup>132</sup> and under IPA I and IPA II<sup>133</sup>. This is further explored in Sections 5.4, 5.5 and 5.6<sup>134</sup>. There were no irregularities reported under IPA III yet.

Table PA1 (and the related graph) shows all the fraudulent and non-fraudulent irregularities detected by the beneficiary countries during the past 5 years under pre-accession programmes. About 19% of these irregularities were reported as fraudulent. This percentage (the fraud frequency level – FFL) changed over time, increasing significantly in 2019 and peaking in 2021 at 25%.

Table PA1 - Reported irregularities, 2017-2021

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2017	18	2,924,965	106	14,724,619	124	17,649,584
2018	17	1,721,262	131	10,350,228	148	12,071,490
2019	44	3,768,277	167	9,925,412	211	13,693,689
2020	22	3,895,603	80	5,346,692	102	9,242,295
2021	29	1,862,348	86	4,185,148	115	6,047,496
<b>TOTAL</b>	<b>130</b>	<b>14,172,455</b>	<b>570</b>	<b>44,532,099</b>	<b>700</b>	<b>58,704,554</b>

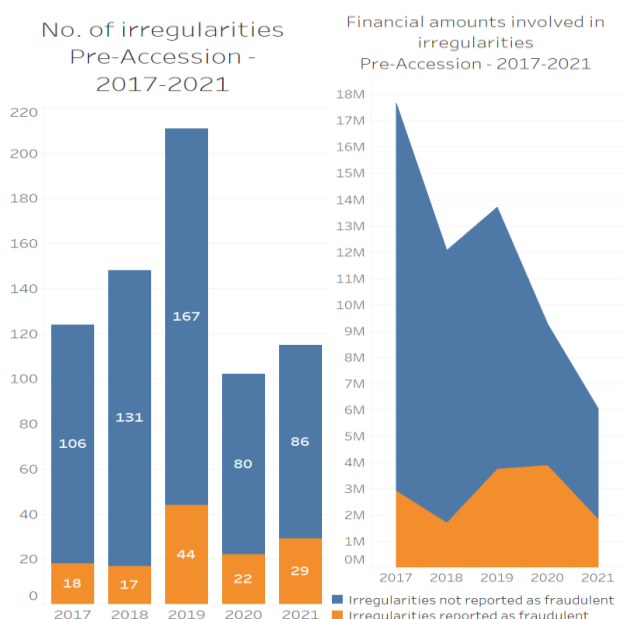
<sup>130</sup> [https://ec.europa.eu/neighbourhood-enlargement/instruments/overview\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en).

<sup>131</sup> Data for this analysis has been download from the Irregularity Management System (IMS) on 7/3/2022.

<sup>132</sup> SAPARD, PHARE, ISPA, CARDS, TIPAA, TF.

<sup>133</sup> CBC, HRD, IPARD, REGD and TAIB.

<sup>134</sup> To provide the complete picture, three additional irregularities must be mentioned. These irregularities, reported as fraudulent by Romania in 2020 and 2021, and as non-fraudulent by Estonia in 2021, relate to cross border cooperation under the European Neighbourhood Instrument. These irregularities are not included in the following analysis, as they do not relate to pre-accession. As part of EU policy towards its neighbours, cross border cooperation supports sustainable development along the EU's external borders, helps reduce differences in living standards and addresses common challenges across these borders.



For 2021, irregularities were reported by eight beneficiary countries (see Table PA2). Nearly 60% of these cases and more than 70% of the related financial amounts were reported by Turkey. As mentioned, the global fraud frequency level in 2021 was 25%, ranging from 54% in Serbia to 0 in Albania, Bulgaria, Croatia and Romania. When focus is on the financial amounts, the differences were even greater. Here, comparison is based on the share of financial amounts reported as fraudulent (fraud amount level – FAL). Serbia recorded the highest FAL, at 72%, while Turkey accounted for the lowest, at 32% (apart from Albania, Bulgaria, Croatia and Romania, which reported no fraudulent cases and Montenegro, which reported one case but without specifying of the financial amounts involved).

Table PA2 - Reported irregularities, 2021

	Number of irregularities			Amount of irregularities (EUR)		
	Fraudulent	Non-fraud	FFL <sup>1</sup>	Fraudulent	Non-fraud	FAL <sup>1</sup>
AL	0	5	0%	0	7,043	0%
BG	0	3	0%	0	88,784	0%
HR	0	1	0%	0	63,196	0%
ME	1	5	17%	0	324,548	0%
MK	1	18	5%	57,052	47,844	54%
RO	0	2	0%	0	474,257	0%
RS	7	6	54%	380,194	148,123	72%
TR	20	46	30%	1,425,101	3,031,353	32%
<b>TOTAL</b>	<b>29</b>	<b>86</b>	<b>25%</b>	<b>1,862,347</b>	<b>4,185,148</b>	<b>31%</b>

<sup>1</sup> For details on the calculation of the FFL and FAL, see SWD(2016)237 final. [http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

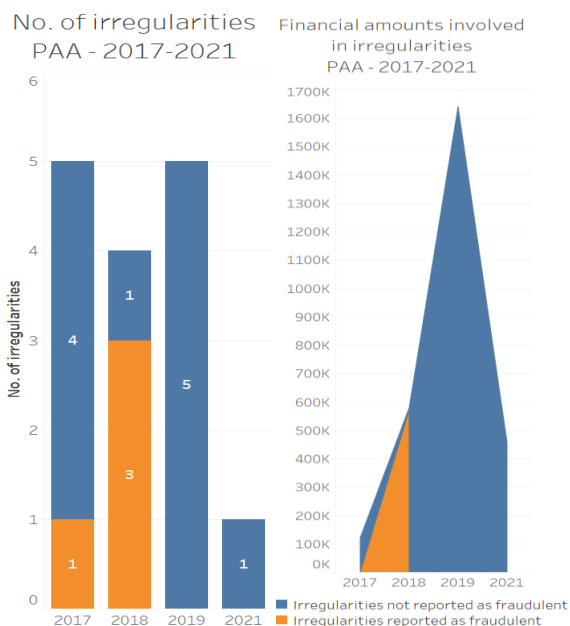
#### 5.4. Pre-accession Assistance (PAA 2000-2006)

##### 5.4.1. Recent trends

There was just one non-fraudulent irregularity related to PAA reported in 2021, while the latest fraudulent irregularities were detected in 2018. During the past 5 years, the beneficiary countries reported just 15 irregularities, where about EUR 3 million were involved (see Table PA3 and related graph).

Table PA3 - Reported irregularities (PAA), 2017-2021

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2017	1	0	4	121,749	5	121,749
2018	3	569,588	1	8,744	4	578,332
2019	0	0	5	1,639,813	5	1,639,813
2020	0	0	0	0	0	0
2021	0	0	1	456,901	1	456,901
<b>TOTAL</b>	<b>4</b>	<b>569,588</b>	<b>11</b>	<b>2,227,207</b>	<b>15</b>	<b>2,796,795</b>



#### 5.4.2. Recent trends by component

The 15 irregularities related to PAA reported during the past 5 years concerned four components. TIPAA accounted for the highest number of irregularities and ISPA for the highest financial amounts (see Table PA4).

Table PA4 - Reported irregularities (PAA) by component, 2017-2021

Year	ISPA		PHARE		SAPARD		TIPAA	
	N	EUR	N	EUR	N	EUR	N	EUR
2017	0	0	1	0	0	0	4	121,749
2018	0	0	1	23,528	1	8,744	2	546,060
2019	5	1,639,813	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
2021	0	0	1	456,901	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>1,639,813</b>	<b>3</b>	<b>480,429</b>	<b>1</b>	<b>8,744</b>	<b>6</b>	<b>667,809</b>

#### 5.4.3. Recent trends by beneficiary country

The 15 irregularities related to PAA reported during the past 5 years were evenly split among three countries: Bulgaria, Romania and Turkey. The highest financial amounts were reported by Bulgaria (see Table PA5).

*Table PA5 - Reported irregularities (PAA) by country, 2017-2021*

Year	BG		RO		TR	
	N	EUR	N	EUR	N	EUR
2017	0	0	1	0	4	121,749
2018	0	0	2	32,272	2	546,060
2019	4	1,587,412	1	52,401	0	0
2020	0	0	0	0	0	0
2021	0	0	1	456,901	0	0
<b>TOTAL</b>	<b>4</b>	<b>1,587,412</b>	<b>5</b>	<b>541,574</b>	<b>6</b>	<b>667,809</b>

#### 5.4.4. Trends since the start of PAA, by beneficiary country and component

Table PA6 and related graph show the number of irregularities and related financial amounts concerning PAA since 2000, by beneficiary country and component.

Since 2000, 14 beneficiary countries have reported 3 269 irregularities related to six components. The three most affected components were SAPARD, PHARE and ISPA. In terms of financial amounts, ISPA was more affected than PHARE, even though ISPA accounted for fewer irregularities. The PHARE programme provided support for institution building, as well as for promoting economic and social cohesion and cross border cooperation. The ISPA programme dealt with large-scale environmental and transport infrastructure projects. This contributed to the higher financial amounts involved in the irregularities related to ISPA.

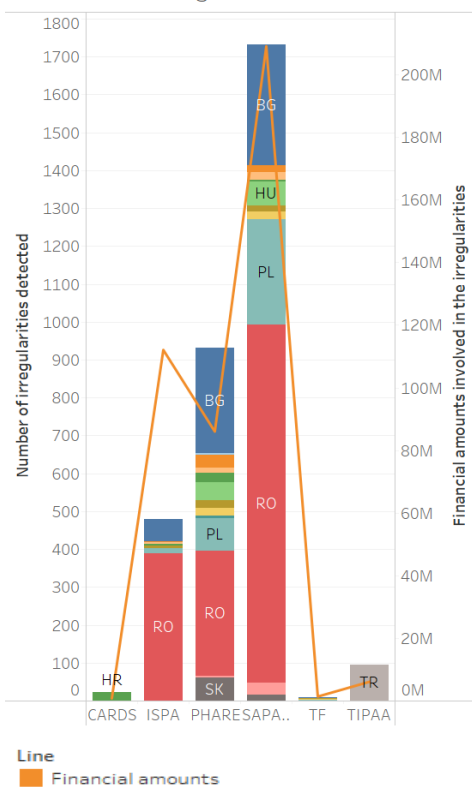
Most of the irregularities related to SAPARD (rural development) were reported by Romania, followed by Bulgaria and Poland. Most of the irregularities related to PHARE were evenly split between Romania and Bulgaria. Reporting from Romania accounted for the bulk of irregularities related to the ISPA programme (see Table PA6 and related graph).



Table PA6 - Total irregularities reported under PAA components

	CARDS		ISPA		PHARE		SAPARD		TF		TIPAA	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BG	0	0	60	23,002,759	278	22,987,083	318	59,448,081	1	240,000	0	0
CY	0	0	0	0	5	23,807	0	0	0	0	0	0
CZ	0	0	1	830,283	33	1,315,470	17	8,320,142	0	0	0	0
EE	0	0	5	208,049	15	897,592	21	3,266,179	0	0	0	0
HR	22	838,966	5	5,388,432	24	5,031,606	5	1,282,804	0	0	0	0
HU	0	0	0	0	47	2,200,681	62	3,960,308	0	0	0	0
LT	0	0	7	2,332	22	690,871	17	4,711,726	4	1,021,916	0	0
LV	0	0	0	0	19	1,796,910	20	859,979	1	44,874	0	0
MT	0	0	0	0	8	112,620	0	0	0	0	0	0
PL	0	0	12	83,073	85	3,227,299	279	5,859,413	2	45,800	0	0
RO	0	0	389	82,559,152	330	44,412,075	944	117,908,207	0	0	0	0
SI	0	0	0	0	5	189,006	33	1,347,222	1	60,000	0	0
SK	0	0	1	49,054	61	3,161,935	15	2,144,607	0	0	0	0
TR	0	0	0	0	0	0	0	0	0	0	95	6,115,344
<b>TOTAL</b>	<b>22</b>	<b>838,966</b>	<b>480</b>	<b>112,123,134</b>	<b>932</b>	<b>86,046,955</b>	<b>1,731</b>	<b>209,108,668</b>	<b>9</b>	<b>1,412,590</b>	<b>95</b>	<b>6,115,344</b>

All irregularities PAA



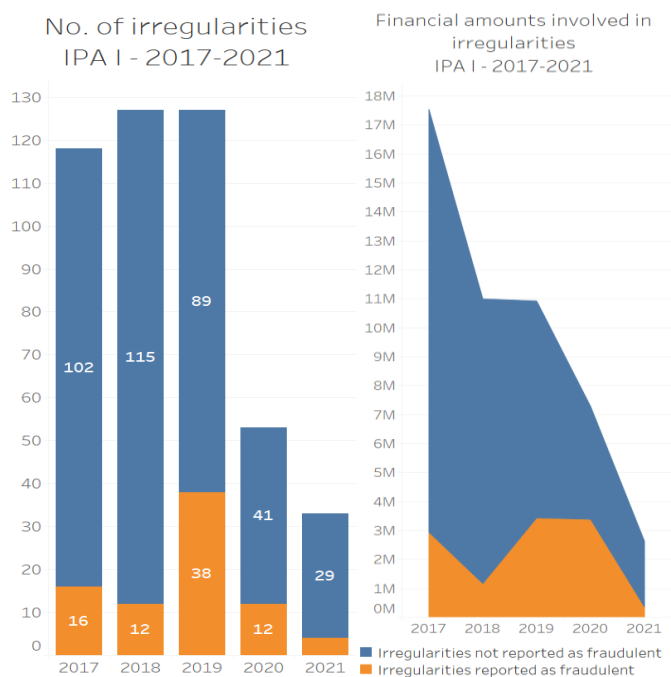
5.5. Instrument for Pre-Accession Assistance (IPA I, 2007-2013)

5.5.1. Recent trends

Most of the irregularities reported during 2017-2021 were still related to IPA I (458 out of 700), although the number of these irregularities fell markedly in the last two years. The FFL was 18% during the past 5 years, although in 2019 it exceeded 30%. The number of detections of fraudulent irregularities was particularly high in 2019 (see Table PA7 and related graph).

Table PA7 - Reported irregularities (IPA I), 2017-2021

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2017	16	2,924,965	102	14,602,871	118	17,527,835
2018	12	1,151,675	115	9,842,979	127	10,994,654
2019	38	3,417,733	89	7,498,550	127	10,916,282
2020	12	3,387,514	41	3,893,127	53	7,280,641
2021	4	356,655	29	2,260,888	33	2,617,544
<b>TOTAL</b>	<b>82</b>	<b>11,238,542</b>	<b>376</b>	<b>38,098,415</b>	<b>458</b>	<b>49,336,956</b>



5.5.2. Recent trends by component

The 458 irregularities related to IPA I during the past 5 years concerned five components. By far, the highest number of cases and the highest financial amounts concerned IPARD, the successor of SAPARD supporting agriculture and rural development.

Table PA8 - Reported irregularities (IPA I) by component, 2017-2021

Year	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2017	22	738,777	17	1,744,973	56	12,528,243	11	14,450	12	2,501,393
2018	15	181,994	42	1,219,279	57	7,413,172	1	34,000	12	2,146,209
2019	0	0	26	205,119	81	9,253,219	10	47,194	10	1,410,751
2020	0	0	1	51,346	43	4,515,060	0	0	9	2,714,235
2021	0	0	0	0	18	1,778,840	0	0	15	838,704
<b>TOTAL</b>	<b>37</b>	<b>920,771</b>	<b>86</b>	<b>3,220,717</b>	<b>255</b>	<b>35,488,534</b>	<b>22</b>	<b>95,644</b>	<b>58</b>	<b>9,611,292</b>

### 5.5.3. Recent trends by beneficiary country

During the past 5 years, irregularities related to IPA I were reported by nine countries. The leading contributor to detection was Turkey, which reported about 74% of irregularities and 87% of the financial amounts.

Table PA9 - Reported irregularities (IPA I) by country, 2017-2021

Year	AL		BG		GR		HR		ME		MK		RO		RS		TR	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2017	0	0	15	20,932	1	41,681	10	1,368,047	9	0	1	27,950	1	649,636	1	22,388	80	15,397,202
2018	0	0	9	23,405	2	148,364	7	103,600	5	36,647	1	0	0	0	2	0	101	10,682,638
2019	1	0	0	0	0	0	2	9,081	27	70,418	1	26,183	0	0	8	1,153,297	88	9,657,303
2020	1	871,492	0	0	0	0	0	0	0	0	6	1,848,260	0	0	3	45,829	43	4,515,060
2021	0	0	0	0	0	0	1	63,196	0	0	6	66,429	0	0	1	17,276	25	2,470,644
<b>TOTAL</b>	<b>2</b>	<b>871,492</b>	<b>24</b>	<b>44,337</b>	<b>3</b>	<b>190,045</b>	<b>20</b>	<b>1,543,924</b>	<b>41</b>	<b>107,065</b>	<b>15</b>	<b>1,968,822</b>	<b>1</b>	<b>649,636</b>	<b>15</b>	<b>1,238,790</b>	<b>337</b>	<b>42,722,847</b>

### 5.5.4. Trends since the start of IPA I, by beneficiary country and component

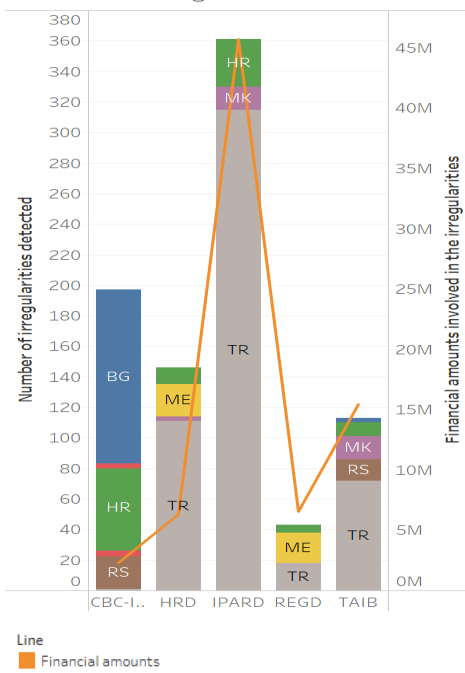
Table PA10 and related graph show the number of irregularities and related financial amounts concerning IPA I since 2007, by beneficiary country and component.

Since 2007, 10 beneficiary countries reported 860 irregularities related to five components. The highest number of irregularities concerned IPARD. About 87% of the irregularities related to IPARD were detected by Turkey. Only two other countries, Croatia and North Macedonia, reported IPARD cases. A broader range of countries reported irregularities concerning cross border cooperation programmes (CBC-IPA), the second most affected component of IPA I. The majority of irregularities were reported by Bulgaria. The only non-Member State that reported irregularities relating to CBC was Serbia (apart from one irregularity reported by Turkey). Besides reporting most of the IPARD irregularities, Turkey also reported 76% of the irregularities related to the human resources development (HRD) programmes, the third most affected component of IPA I (see Table PA10 and related graph).

Table PA10 - Total irregularities reported under IPA I components

	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
AL	0	0	0	0	0	0	0	0	3	871,492
BG	114	426,492	0	0	0	0	0	0	0	0
GR	3	190,045	0	0	0	0	0	0	0	0
HR	51	228,972	11	423,444	31	1,872,503	5	503,093	9	1,061,787
IT	3	553,935	0	0	0	0	0	0	0	0
ME	0	0	21	25,871	0	0	20	81,194	0	0
MK	0	0	3	267,139	15	215,055	0	0	15	1,891,292
RO	4	720,832	0	0	0	0	0	0	0	0
RS	21	168,206	0	0	0	0	0	0	14	1,216,402
TR	1	12,533	111	5,618,814	315	43,640,918	18	5,968,424	72	10,409,533
<b>TOTAL</b>	<b>197</b>	<b>2,301,015</b>	<b>146</b>	<b>6,335,268</b>	<b>361</b>	<b>45,728,476</b>	<b>43</b>	<b>6,552,711</b>	<b>113</b>	<b>15,450,506</b>

All irregularities IPA



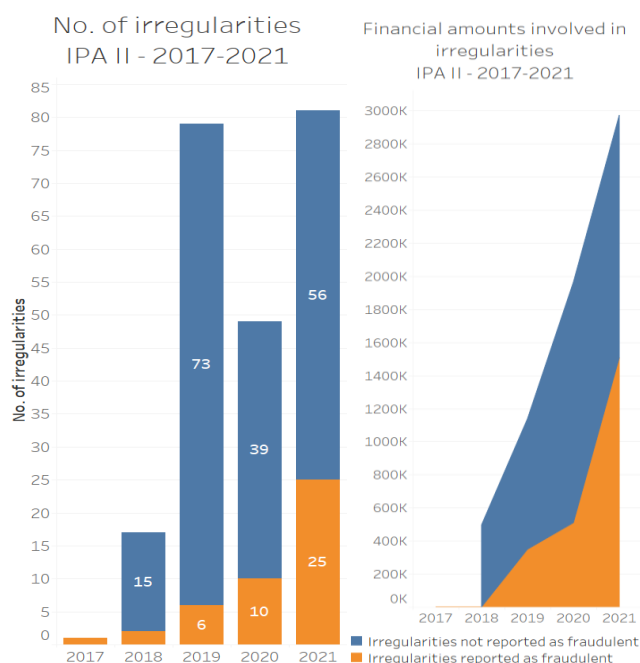
## 5.6. Instrument for Pre-accession Assistance II (IPA II 2014-2020)

### 5.6.1. Recent trends

The reporting of irregularities relating to IPA II started in 2017. The number of irregularities reported fell markedly in 2020, to bounce back in 2021. During the past 5 years, the fraud frequency level was 19%, close to the FFL for IPA I (see Table PA11 and related graph).

Table PA11 - Reported irregularities (IPA II), 2017-2021

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2017	1	0	0	0	1	0
2018	2	0	15	498,504	17	498,504
2019	6	350,544	73	787,049	79	1,137,593
2020	10	508,090	39	1,453,565	49	1,961,655
2021	25	1,505,692	56	1,467,359	81	2,973,051
<b>TOTAL</b>	<b>44</b>	<b>2,364,326</b>	<b>183</b>	<b>4,206,477</b>	<b>227</b>	<b>6,570,803</b>



### 5.6.2. Recent trends by component

The 227 irregularities related to IPA II during the past 5 years concerned five components. By far, the highest number of cases and the highest financial amounts concerned IPARD. The only other component with more than 20 irregularities was cross border cooperation. Most of these irregularities were detected by Serbia, closely followed by Bulgaria.

Table PA12 - Reported irregularities (IPA II) by component, 2017-2021

Year	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2017	0	0	0	0	1	0	0	0	0	0
2018	8	51,409	0	0	8	447,095	0	0	1	0
2019	2	66,186	0	0	72	1,071,407	3	0	2	0
2020	0	0	2	0	39	1,245,561	2	0	6	716,094
2021	13	317,441	0	0	54	2,393,989	6	8,998	8	252,623
<b>TOTAL</b>	<b>23</b>	<b>435,036</b>	<b>2</b>	<b>0</b>	<b>174</b>	<b>5,158,052</b>	<b>11</b>	<b>8,998</b>	<b>17</b>	<b>968,717</b>

5.6.3. Recent trends by beneficiary country

During the past 5 years, irregularities related to IPA II were reported by seven countries. The two main contributors to detection were Turkey and North Macedonia, which together reported about 77% of irregularities and 82% of the related financial amounts.

Table PA13 - Reported irregularities (IPA II) by country, 2017-2021

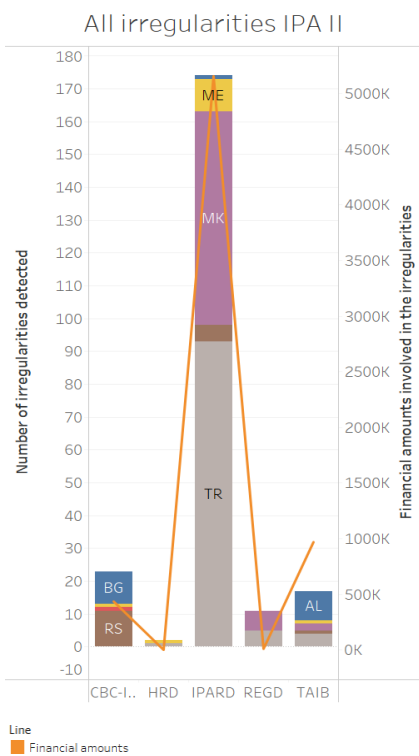
Year	AL		BG		ME		MK		RO		RS		TR	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2017	0	0	0	0	0	0	0	0	0	0	0	0	1	0
2018	0	0	5	51,409	1	0	1	0	0	0	3	0	7	447,095
2019	2	0	2	66,186	0	0	49	323,459	0	0	1	0	25	747,948
2020	3	53,579	0	0	6	50,984	10	112,068	0	0	1	26,242	29	1,718,782
2021	5	7,043	3	88,784	6	324,548	13	38,468	1	17,356	12	511,042	41	1,985,810
<b>TOTAL</b>	<b>10</b>	<b>60,622</b>	<b>10</b>	<b>206,379</b>	<b>13</b>	<b>375,532</b>	<b>73</b>	<b>473,995</b>	<b>1</b>	<b>17,356</b>	<b>17</b>	<b>537,284</b>	<b>103</b>	<b>4,899,635</b>

5.6.4. Trends since the start of IPA II, by beneficiary country and component

Table PA14 and the related graph show the number of irregularities and related financial amounts concerning IPA II, by beneficiary country and component. As reporting for IPA II started in 2017, data for the past 5 years and data from the start of the programmes (2014) coincide.

Table PA14 - Total irregularities reported under IPA II components

	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
AL	0	0	0	0	1	5,464	0	0	9	55,158
BG	10	206,379	0	0	0	0	0	0	0	0
ME	1	0	1	0	10	375,533	0	0	1	0
MK	0	0	0	0	65	469,590	6	1,093	2	3,312
RO	1	17,356	0	0	0	0	0	0	0	0
RS	11	211,301	0	0	5	150,415	0	0	1	175,567
TR	0	0	1	0	93	4,157,051	5	7,905	4	734,680
<b>TOTAL</b>	<b>23</b>	<b>435,036</b>	<b>2</b>	<b>0</b>	<b>174</b>	<b>5,158,053</b>	<b>11</b>	<b>8,998</b>	<b>17</b>	<b>968,717</b>



## 6. DIRECT MANAGEMENT

### 6.1. Introduction

Section 6 contains a descriptive analysis of the data on recovery orders issued by Commission services in relation to expenditures managed under ‘direct management’ mode, which is one of the three implementation modes the Commission can use to implement the budget.

According to the Financial Regulation, the Commission implements the budget directly (‘direct management’) as set out in Articles 125 to 153, through its departments, including its staff in the Union delegations under the authority of their respective Head of delegation, in accordance with Article 60(2), or through executive agencies as referred to in Article 69<sup>135</sup>.

For the financial year 2021, a total of EUR 21 711 million<sup>136</sup> has been disbursed under ‘direct management’ mode. Table DM1 presents the actual payments by policy areas. Compared to previous years, actual payments are lower.

*Table DM1 – Payments made in financial year 2021 by policy area*

Policy area	Payments 2021	
	EUR million	%
Agriculture and Maritime Policy	336	1.55%
Border Management	62	0.29%
Defence	98	0.45%
Environment and Climate Action	432	1.99%
European Schools and Pensions	210	0.97%
European Strategic Investments	3,727	17.17%
External Action	4,122	18.99%
Investing in People, Social Cohesion and Values	788	3.63%
Migration	338	1.56%
Pre-accession Assistance	678	3.12%
Regional Development and Cohesion	1,123	5.17%
Research and innovation	7,609	35.05%
Security	133	0.61%
Single Market	563	2.60%
Space	34	0.16%
Other Policies	1458	6.71%
<b>Total without RRF</b>	<b>21,711</b>	<b>100.00%</b>

### 6.2. General analysis

For the financial year 2021, the Commission services registered 879 recovery items<sup>137</sup> in ABAC that were qualified as irregularities, for a total financial value EUR 42.89 million

<sup>135</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012/PE/13/2018/REV/1, OJ L 193, 30.7.2018, p. 1–222

<sup>136</sup> In 2021, RRF accounted for EUR million 47 228, which is more than twice as big as the rest of the Direct Management (EUR million 21 711). As not a single irregularity was reported in 2021 in relation to RRF and its presence in the analysis would distort drastically the percentages, it has been excluded from the presented analysis.

Own calculation based on ABAC data.

<sup>137</sup> Recovery items mean ‘recovery context’ elements in ABAC. There can be more recovery context elements associated to one recovery order issued.

irregular amounts<sup>138</sup>. Among these recovery items, 54 have been reported as fraudulent, involving EUR 7.04 million irregular amounts.

However, qualifications attributed to recovery items may change over the years: it may happen that cases of irregularities are turned into suspicions of fraud or the other way round, suspicions of fraud are reclassified as non-fraudulent irregularities upon the closure of the OLAF investigation.

*6.2.1. Five year analysis 2017-2021*

The following analysis gives an overview of recovery data recorded in the ABAC system in the last five years. Between 2017 and 2021, on average, for one year, there were 50 recovery items qualified as ‘irregularities reported as fraudulent’<sup>139</sup>. The ratio between the financial amounts related to these irregularities and expenditure during 2017-2021 is very small, it remains close to zero (0.041%). This ratio is quite stable throughout the years. Figures are presented in Table DM2 below.

*Table DM2 – Irregularities reported as fraudulent and related amounts, financial years 2017-2021*

Year	Payments	Irregularities reported as fraudulent		Irregular amounts/ Payments
	EUR million	EUR million	N	%
2017	20,124	12.37	72	0.061
2018	20,816	6.17	44	0.030
2019	20,630	10.57	37	0.051
2020	26,579	9.15	41	0.034
2021	21,711	7.04	54	0.032
<b>TOTAL</b>	<b>109,860</b>	<b>45.30</b>	<b>248</b>	<b>0.041</b>

With regard to ‘irregularities not reported as fraudulent’, between 2017 and 2021, on average, for one year, 1 420 recovery items are registered. Since 2020, there is a noticeable decline, both in the number of cases and in the percentage of irregular amount per payments. Figures are presented in Table DM3 below.

*Table DM3 – Irregularities not reported as fraudulent and related amounts, financial years 2017-2021*

Year	Payments	Irregularities not reported as fraudulent		Irregular amounts/ Payments
	EUR million	EUR million	N	%
2017	20,124	60.33	1635	0.300
2018	20,816	66.97	1579	0.322
2019	20,630	55.35	1778	0.268
2020	26,579	53.22	1285	0.200
2021	21,711	35.85	825	0.165
<b>TOTAL</b>	<b>109,860</b>	<b>271.72</b>	<b>7102</b>	<b>0.247</b>

Between 2017 and 2021, in total, there were 7 102 registered recovery items qualified as ‘irregularities not reported as fraudulent’, with an aggregate recovery amount of EUR 271.72 million. The ratio between these aggregate irregular amounts corresponding to the recovery items and expenditure during 2017-2021 is less than 0.25% (see Total in Table DM3). This ratio has been steadily declining for many years now from the zone of 0,5-0,6% (six years ago).

<sup>138</sup> Table DM4: sum of the Totals

<sup>139</sup> ‘Irregularities reported as fraudulent’ are cases of recovery items qualified in the ABAC system as ‘OLAF notified’.



These figures show the efficiency of the irregularity detection and recovery mechanisms in place.

### 6.3. Specific analysis

#### 6.3.1. Recoveries according policy areas

Table DM4 provides an overview of irregularity statistics by policy area for 2021.

Table DM4 – Irregularities reported by policy areas and related amounts, 2021

Policy area	Payments 2021	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	EUR million	N	EUR million	N
Agriculture and Maritime Policy	336	0.03	2	0.00	0
Environment and Climate Action	432	0.37	19	0.28	12
European Schools and Pensions	210	0.00	0	0.00	0
European Strategic Investments	3727	3.31	107	1.54	10
External Action	4122	3.04	103	0.72	2
Investing in People, Social Cohesion and Values	788	2.09	91	0.00	2
Migration	338	0.88	29	0.00	0
Pre-accession Assistance	678	1.62	55	0.01	3
Regional Development and Cohesion	1123	5.66	43	0.00	0
Research and innovation	7609	3.65	126	2.16	9
Security, Defence, Border Management	133	3.08	109	1.67	11
Single Market	563	11.54	113	0.47	4
Space	34	0.00	0	0.00	0
Other Policies	1458	0.57	28	0.18	1
<b>Total without RRF</b>	<b>21711</b>	<b>35.85</b>	<b>825</b>	<b>7.04</b>	<b>54</b>

In the financial year 2021, the highest numbers of recovery items qualified as 'irregularities not reported as fraudulent' was recorded in the budget area 'Research and innovation' (126). It was the 'Single Market' policy field where the highest irregular amounts were registered (EUR 11.54 million).

During the same year, 54 recovery items were registered as 'irregularities reported as fraudulent'. The three policy areas with the highest number of irregularities reported were 'Environment and Climate Action' (12 items), 'Security, Defence, Border Management' (11 items) and 'European Strategic Investments' (10 items). EUR 7.04 million were involved in these irregularities, out of which 31% (EUR 2.16 million) were related to the policy area 'Research and Innovation'.

#### 6.3.2. Recoveries according to legal entity residence

During 2017-2021, with regard to 'irregularities not reported as fraudulent', 74% of the total number of recovery items and 70% of the related recovery amounts concerned legal entities that are resident of the EU-27<sup>140</sup>. For 'irregularities reported as fraudulent', these ratios are higher: 76% of the total number of recovery items and 75% of the related recovery amounts concerned a legal entity residing in the EU-27.

<sup>140</sup> The residence of the legal entity and the residence of the beneficiary are not necessarily the same.

Table DM5 – Recoveries per country of residence of the legal entity, 2017-2021

LE Country name	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	N	EUR million	N
Austria	7.32	168	0.00	0
Belgium	11.69	382	6.30	7
Bulgaria	1.00	35	0.00	0
Croatia	1.85	36	0.00	0
Cyprus	0.49	49	0.20	7
Czech Republic	5.64	42	0.99	12
Denmark	11.25	207	0.00	0
Estonia	1.04	22	0.58	6
Finland	3.90	88	0.92	4
France	15.30	620	4.46	48
Germany	27.86	591	6.92	11
Greece	4.86	146	0.25	4
Hungary	2.28	62	0.00	0
Ireland	2.73	109	0.09	1
Italy	19.57	509	6.93	36
Latvia	0.22	17	0.00	0
Lithuania	0.14	19	0.11	1
Luxembourg	0.42	21	0.00	0
Malta	0.67	45	0.00	0
Netherlands	20.51	602	2.01	9
Poland	1.85	96	0.03	2
Portugal	3.00	81	3.26	22
Romania	4.79	69	0.13	4
Slovakia	4.43	16	0.00	0
Slovenia	2.12	117	0.00	0
Spain	27.31	915	1.01	15
Sweden	6.74	175	0.00	0
<b>Total EU 27</b>	<b>189.00</b>	<b>5239</b>	<b>34.18</b>	<b>189</b>
United Kingdom	36.42	859	5.95	24
<i>Total other countries</i>	<i>46.30</i>	<i>1004</i>	<i>5.17</i>	<i>35</i>
<b>Grand Total</b>	<b>271.72</b>	<b>7102</b>	<b>45.30</b>	<b>248</b>

Table DM5 above summarises the total recoveries made during the past five years according to the country of residence of the legal entity to which the payment was unduly made.

### 6.3.3. Method of detection

For each recovery item, the Commission service issuing the recovery order has to indicate how the irregularity has been detected. Six different categories are pre-defined for this purpose, two of which fall under the direct responsibility of the European Commission: ‘Ex-ante controls’ and ‘Ex-post controls’. Table DM6 provides a breakdown of the recoveries by source of detection and by qualification.

Table DM6 – Irregularities reported by source of detection and by qualification, 2017-2021

Source of detection 2017-2021	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	N	EUR million	N
Ex-ante controls	47.35	542	0.46	6
Ex-post controls	203.95	6320	3.32	26
Other controls (ECA)	8.62	60	0.09	1
Other controls (Member States)	3.03	15	0.12	2
Other controls (OLAF)	3.78	29	41.30	213
Other controls (To identify) and n.a.	5.00	136	0.00	0
<b>TOTAL</b>	<b>271.72</b>	<b>7102</b>	<b>45.30</b>	<b>248</b>

With reference to the ‘irregularities reported as fraudulent’, ‘OLAF’ has been mentioned as the source of detection in relation to 86% of recovery items, corresponding to 91% of total recovery amounts. Meanwhile ‘Ex-post controls’ were the source of detection of another 10% of this type of recovery items, corresponding to another 7% of the recovery amounts.

About 97% of ‘irregularities not reported as fraudulent’ were detected through Commission controls (ex-ante and ex-post controls). The share of ex-ante controls has been steadily declining from 30% (six years ago) to 8% (value of the indicator now).

6.3.4. *Types of irregularity*

The Commission services also have to specify, in the recovery context, the type of irregularity in relation to each recovery item. Several types can be attributed to one recovery item. For ‘irregularities reported as fraudulent’, ‘Amount ineligible’ was the most frequent type during the past five years. In relation to ‘irregularities not reported as fraudulent’, ‘Amount ineligible’ remains the most frequent irregularity type, followed by ‘Under-performance/non-performance’ and then by ‘Documents missing’.

Table DM7 provides the full picture regarding the frequency of each type during the past five years. The figures are stable and have been following the same pattern for many years.

Table DM7 – *Types of irregularity, 2017-2021*

Type of irregularity 2017-2021	Irregularities not reported as fraudulent (frequency %)		Irregularities reported as fraudulent (frequency %)	
	Amount	Number	Amount	Number
Amount ineligible	77.1	84.2	67.7	73.2
Beneficiary	1.4	1.5	15.5	6.2
Calculation Error	2.6	3.0	0.0	0.0
Documents missing	2.9	3.2	5.2	2.7
Double funding	0.3	0.8	0.4	4.1
Profit	0.4	0.4	0.5	4.1
Public procurement rules not respected	0.1	0.4	4.2	3.2
Under-performance / non-performance	14.1	6.2	1.1	4.0
Ethics and Integrity	1.1	0.2	5.4	2.5
(blank)	0.0	0.1	0.0	0.0
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

6.3.5. *Recovery*

Once a recovery order is issued, the beneficiary is requested to pay back the amount unduly received or the amount is offset from remaining payments for the same beneficiary.

For the recovery orders issued between 2017 and 2021, 55% of the total irregular amounts have already been recovered. The recovery rate for ‘irregularities reported as fraudulent’ (30%) remains well below the one calculated for ‘irregularities not reported as fraudulent’ (59%)

COUNTRY FACTSHEETS

Belgium - Belgique/België

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	161	75,935,747	281	11,311,366	3.80%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	7	233,108	0.00	0.04
Rural Development (RD)	0	0	19	462,953	0.00	0.56
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>696,061</b>	<b>0.00</b>	<b>0.11</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	37	908,490	0.00	0.03
Rural Development (RD)	0	0	58	1,465,155	0.00	0.41
SA/RD	0	0	2	38,845		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>97</b>	<b>2,412,490</b>	<b>0.00</b>	<b>0.08</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>437,725</b>	<b>392</b>	<b>25,371,923</b>	<b>0.02</b>	<b>1.22</b>
ERDF	3	1,936	137	11,895,993	0.00	1.21
ESF	3	435,789	255	13,475,930	0.04	1.26
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>1</b>	<b>37,558</b>	<b>9</b>	<b>366,986</b>		
ERDF	1	37,558	5	322,404		
ESF	0	0	4	44,583		
<b>Programming Period 2014-20 - cumulative</b>	<b>6</b>	<b>133,018</b>	<b>54</b>	<b>3,356,549</b>	<b>0.01</b>	<b>0.27</b>
ERDF	2	39,111	36	1,810,233	0.01	0.33
ESF	4	93,907	18	1,546,316	0.01	0.24

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>0</b>	<b>0</b>	<b>1</b>	<b>13</b>	<b>7</b>	<b>88</b>
<b>Cohesion and Fisheries Policy</b>					
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>100</b>

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF*

Bulgaria – България

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	27	2,754,185	2	141,597	1.36%

2. Natural Resources						
Fund	Irregularities reported in 2021					
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	17,303	15	292,246	0.00	0.03
Rural Development (RD)	1	32,928	181	14,801,113	0.01	4.17
<b>TOTAL</b>	<b>2</b>	<b>50,231</b>	<b>196</b>	<b>15,093,359</b>	<b>0.00</b>	<b>1.23</b>

Fund	Irregularities reported 2017-2021					
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	13	16,355,724	32	3,486,557	0.40	0.09
Rural Development (RD)	18	1,386,613	906	58,374,463	0.10	4.27
<b>TOTAL</b>	<b>31</b>	<b>17,742,337</b>	<b>938</b>	<b>61,861,020</b>	<b>0.32</b>	<b>1.13</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
1	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>14,058,885</b>		
CF	0	0	3	8,057,019		
ERDF	0	0	5	5,897,729		
EFF	0	0	4	104,137		
<b>Programming Period 2007-13 - cumulative</b>	<b>22</b>	<b>1,164,156</b>	<b>694</b>	<b>159,294,536</b>	<b>0.02</b>	<b>2.46</b>
CF	0	0	172	88,683,341	0.00	4.01
ERDF	6	260,230	373	59,232,114	0.01	1.97
ESF	12	546,011	103	9,355,623	0.05	0.79
EFF	4	357,915	46	2,023,459	0.60	3.39
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>9</b>	<b>309,499</b>	<b>90</b>	<b>14,230,989</b>		
CF	0	0	10	3,535,154		
ERDF	0	0	58	8,184,453		
ESF	9	309,499	14	1,093,657		
EMFF	0	0	8	1,417,725		
<b>Programming Period 2014-20 - cumulative</b>	<b>12</b>	<b>544,098</b>	<b>248</b>	<b>59,777,984</b>	<b>0.01</b>	<b>1.28</b>
CF	0	0	20	24,463,608	0.00	2.40
ERDF	0	0	178	30,388,680	0.00	1.25
ESF	12	544,098	39	2,914,072	0.05	0.24
EMFF	0	0	11	2,011,624	0.00	5.72

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N.	Ratio %	N.	Ratio %	N.	Ratio %
<b>Natural resources</b>					
24	10	61	27	145	63
<b>Cohesion and Fisheries Policy</b>					
11	39	1	4	16	57

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 PIF

Czech Republic - Česká republika

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	16,336	64	3,034,725	0.77%

2. Natural Resources						
Fund	Irregularities reported in 2021					
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	9	263,555	0.00	0.03
Rural Development (RD)	1	11,588	51	791,073	0.00	0.22
<b>TOTAL</b>	<b>1</b>	<b>11,588</b>	<b>60</b>	<b>1,054,628</b>	<b>0.00</b>	<b>0.09</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	3,953,696	37	719,950	0.09	0.02
Rural Development (RD)	22	1,810,187	201	5,198,216	0.10	0.30
<b>TOTAL</b>	<b>24</b>	<b>5,763,883</b>	<b>238</b>	<b>5,918,166</b>	<b>0.09</b>	<b>0.10</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>14</b>	<b>5,630,646</b>	<b>30</b>	<b>3,312,370</b>		
CF	5	2,510,669	4	257,056		
ERDF	8	3,094,635	24	2,799,918		
ESF	1	25,342	2	255,396		
<b>Programming Period 2007-13 - cumulative</b>	<b>208</b>	<b>256,387,032</b>	<b>3,791</b>	<b>1,243,012,149</b>	<b>1.01</b>	<b>4.88</b>
CF	31	19,727,889	371	125,716,852	0.23	1.45
ERDF	133	234,190,488	2,062	1,017,337,621	1.78	7.71
ESF	39	2,069,926	1,329	98,428,519	0.06	2.74
EFF	5	398,730	29	1,529,156	1.65	6.32
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>6</b>	<b>887,161</b>	<b>258</b>	<b>25,414,385</b>		
CF	0	0	14	3,609,173		
ERDF	2	673,430	206	20,152,867		
ESF	4	213,732	38	1,652,344		
<b>Programming Period 2014-20 - cumulative</b>	<b>37</b>	<b>6,002,293</b>	<b>526</b>	<b>80,477,507</b>	<b>0.04</b>	<b>0.51</b>
CF	1	515,679	92	46,185,734	0.01	0.98
ERDF	20	5,047,313	308	29,316,482	0.06	0.35
ESF	16	439,302	113	4,182,095	0.02	0.16
EMFF	0	0	13	793,195	0.00	4.10

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
14	88	2	13	0	0
<b>Cohesion and Fisheries Policy</b>					
31	60	7	13	14	27

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Denmark – Danmark

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	6	351,143	95	3,997,169	0.90%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	5	70,816	0.00	0.01
Rural Development (RD)	27	3,181,542	1	29,963	2.73	0.03
<b>TOTAL</b>	<b>27</b>	<b>3,181,542</b>	<b>6</b>	<b>100,779</b>	<b>0.34</b>	<b>0.01</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	103,336	23	616,130	0.00	0.01
Rural Development (RD)	40	6,277,050	19	466,862	1.25	0.09
<b>TOTAL</b>	<b>43</b>	<b>6,380,386</b>	<b>42</b>	<b>1,082,992</b>	<b>0.14</b>	<b>0.02</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>2</b>	<b>234,251</b>	<b>51</b>	<b>2,554,866</b>	<b>0.04</b>	<b>0.40</b>
ERDF	2	234,251	19	773,008	0.09	0.30
ESF	0	0	15	523,101	0.00	0.21
EFF	0	0	17	1,258,757	0.00	1.03
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>136,080</b>		
ERDF	0	0	2	136,080		
<b>Programming Period 2014-20 - cumulative</b>	<b>12</b>	<b>870,189</b>	<b>12</b>	<b>787,194</b>	<b>0.20</b>	<b>0.18</b>
ERDF	2	165,316	6	314,706	0.11	0.20
ESF	0	0	3	347,519	0.00	0.22
EMFF	10	704,873	3	124,969	0.55	0.10

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N.	Ratio %	N.	Ratio %	N.	Ratio %
13	11	5	4	100	85
<b>Natural resources</b>					
<b>Cohesion and Fisheries Policy</b>					

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Germany – Deutschland

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	52	4,110,039	1,256	72,954,890	1.51%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	564,383	23	389,506	0.01	0.01
Rural Development (RD)	1	6,990	42	818,617	0.00	0.06
<b>TOTAL</b>	<b>3</b>	<b>571,373</b>	<b>65</b>	<b>1,208,123</b>	<b>0.01</b>	<b>0.02</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	10	1,045,660	143	3,388,751	0.00	0.01
Rural Development (RD)	19	1,653,704	193	9,788,028	0.03	0.16
SA/RD	3	660,286	19	632,973		
<b>TOTAL</b>	<b>32</b>	<b>3,359,650</b>	<b>355</b>	<b>13,809,752</b>	<b>0.01</b>	<b>0.05</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>981,496</b>		
ERDF	0	0	9	981,496		
<b>Programming Period 2007-13 - cumulative</b>	<b>204</b>	<b>30,032,092</b>	<b>1,401</b>	<b>132,729,807</b>	<b>0.12</b>	<b>0.53</b>
ERDF	37	12,606,797	941	102,545,387	0.08	0.65
ESF	166	17,411,174	453	29,376,491	0.19	0.32
EFF	1	14,120	7	807,929	0.01	0.74
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>7</b>	<b>873,036</b>	<b>85</b>	<b>6,237,503</b>		
ERDF	4	198,181	66	5,263,233		
ESF	3	674,855	18	947,179		
EMFF	0	0	1	27,091		
<b>Programming Period 2014-20 - cumulative</b>	<b>30</b>	<b>3,769,982</b>	<b>236</b>	<b>22,528,675</b>	<b>0.03</b>	<b>0.18</b>
ERDF	16	1,571,285	158	18,210,586	0.02	0.27
ESF	14	2,198,698	75	4,205,532	0.04	0.08
EMFF	0	0	3	112,557	0.00	0.08

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
10	42	4	17	10	42
<b>Cohesion and Fisheries Policy</b>					
16	15	50	45	44	40

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 PIF



Estonia – Eesti

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	8	1,033,810	1	19,714	1.85%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	17	3,933,496	13	254,472	3.72	0.24
<b>TOTAL</b>	<b>17</b>	<b>3,933,496</b>	<b>13</b>	<b>254,472</b>	<b>1.44</b>	<b>0.09</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	41	8,446,289	161	6,734,636	1.51	1.20
<b>TOTAL</b>	<b>41</b>	<b>8,446,289</b>	<b>161</b>	<b>6,734,636</b>	<b>0.67</b>	<b>0.54</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>23</b>	<b>10,754,924</b>	<b>329</b>	<b>31,285,633</b>	<b>0.31</b>	<b>0.90</b>
CF	5	2,691,616	18	2,677,679	0.23	0.23
ERDF	14	7,634,704	250	26,379,365	0.41	1.42
ESF	3	252,912	45	1,279,980	0.06	0.33
EFF	1	175,691	16	948,608	0.22	1.19
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>7</b>	<b>2,825,416</b>	<b>78</b>	<b>7,291,381</b>		
CF	0	0	7	655,755		
ERDF	6	2,485,424	65	6,281,680		
ESF	0	0	6	353,945		
EMFF	1	339,992	0	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>20</b>	<b>4,054,746</b>	<b>232</b>	<b>25,502,034</b>	<b>0.14</b>	<b>0.90</b>
CF	0	0	45	9,238,118	0.00	1.01
ERDF	17	3,639,784	161	13,758,053	0.26	0.97
ESF	2	74,970	22	2,445,625	0.02	0.56
EMFF	1	339,992	4	60,237	0.49	0.09

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
1	5	7	33	13	62
<b>Cohesion and Fisheries Policy</b>					
1	17	2	33	3	50

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Ireland – Éire

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	100,366	26	1,346,624	0.28%

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	1	2,750	21	904,796	0.00	0.06
Blank	1	12,492	2	36,022		
<b>TOTAL</b>	<b>2</b>	<b>15,242</b>	<b>23</b>	<b>940,818</b>	<b>0.00</b>	<b>0.01</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>2</b>	<b>15,672</b>	<b>270</b>	<b>16,257,085</b>	<b>0.00</b>	<b>2.05</b>
ERDF	0	0	95	4,107,230	0.00	1.09
ESF	2	15,672	165	12,013,395	0.00	3.20
EFF	0	0	10	136,460	0.00	0.32
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>20,082</b>		
ESF	0	0	1	20,082		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>1,893,855</b>	<b>0.00</b>	<b>0.20</b>
ERDF	0	0	15	394,543	0.00	0.09
ESF	0	0	21	1,499,312	0.00	0.36

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N	Ratio %	N	Ratio %	N	Ratio %	
<b>Natural resources</b>						
0	0	0	0	4	100	
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	2	100	

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 PIF

Greece – Ελλάδα

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	9,995,058	22	2,507,862	4.38%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	2,543,017	350	5,956,644	0.12	0.29
Rural Development (RD)	0	0	205	2,911,900	0.00	0.46
<b>TOTAL</b>	<b>1</b>	<b>2,543,017</b>	<b>555</b>	<b>8,868,544</b>	<b>0.09</b>	<b>0.33</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	2,553,457	507	8,952,697	0.02	0.09
Rural Development (RD)	2	26,628	671	9,941,870	0.00	0.35
<b>TOTAL</b>	<b>4</b>	<b>2,580,085</b>	<b>1,178</b>	<b>18,894,567</b>	<b>0.02</b>	<b>0.14</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>1</b>	<b>229,736</b>	<b>0</b>	<b>0</b>		
ERDF	1	229735.59	0	0		
<b>Programming Period 2007-13 - cumulative</b>	<b>66</b>	<b>22,863,436</b>	<b>2,084</b>	<b>830,214,175</b>	<b>0.11</b>	<b>4.07</b>
CF	0	0	179	158,819,807	0.00	4.30
ERDF	55	22,552,298	1,516	601,610,805	0.19	4.95
ESF	11	311,138	369	65,205,726	0.01	1.49
EFF	0	0	20	4,577,837	0.00	2.79
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>1</b>	<b>262,827</b>	<b>31</b>	<b>141,862,261</b>		
CF	0	0	5	5,376,223		
ERDF	1	262,827	11	5,925,015		
ESF	0	0	14	130,361,167		
EMFF	0	0	1	199,856		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>6,550,881</b>	<b>111</b>	<b>173,255,681</b>	<b>0.05</b>	<b>1.23</b>
CF	3	6,117,703	13	12,323,699	0.39	0.78
ERDF	2	433,179	43	20,774,671	0.00	0.23
ESF	0	0	54	139,957,455	0.00	4.23
EMFF	0	0	1	199,856	0.00	0.12

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
7	30	1	4	15	65
<b>Cohesion and Fisheries Policy</b>					
0	0	3	14	18	86

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 IPF

Spain – España

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	25	18,044,071	422	43,732,595	3.03%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	4	856,637	165	6,541,260	0.02	0.12
Rural Development (RD)	0	0	281	10,972,629	0.00	0.95
<b>TOTAL</b>	<b>4</b>	<b>856,637</b>	<b>446</b>	<b>17,513,889</b>	<b>0.01</b>	<b>0.26</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	17	3,332,727	811	32,883,390	0.01	0.12
Rural Development (RD)	1	120,000	879	31,362,637	0.00	0.61
SA/RD	0	0	1	11,111		
<b>TOTAL</b>	<b>18</b>	<b>3,452,727</b>	<b>1,691</b>	<b>64,257,138</b>	<b>0.01</b>	<b>0.19</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>144</b>	<b>21,846,043</b>	<b>9,781</b>	<b>1,668,646,146</b>	<b>0.06</b>	<b>4.74</b>
CF	2	95,639	342	95,396,878	0.00	2.70
ERDF	138	19,681,453	8,663	1,495,057,297	0.09	6.53
ESF	3	333,844	583	56,457,557	0.00	0.71
EFF	1	1,735,107	193	21,734,414	0.20	2.46
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>33</b>	<b>13,243,669</b>		
ERDF	0	0	16	5,007,024		
ESF	0	0	15	8,178,969		
EMFF	0	0	2	57,676		
<b>Programming Period 2014-20 - cumulative</b>	<b>1</b>	<b>46,455</b>	<b>239</b>	<b>42,631,565</b>	<b>0.00</b>	<b>0.22</b>
ERDF	0	0	135	28,711,589	0.00	0.21
ESF	1	46,455	100	13,509,041	0.00	0.25
EMFF	0	0	4	410,935	0.00	0.09

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
NL	Ratio %	NL	Ratio %	NL	Ratio %
<b>Natural resources</b>					
13	65	0	0	7	35
<b>Cohesion and Fisheries Policy</b>					
3	75	0	0	1	25

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 P/F

France

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	71	6,540,506	236	17,698,376	1.03%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	13,348	61	3,047,738	0.00	0.04
Rural Development (RD)	5	53,886	106	2,093,659	0.00	0.11
<b>TOTAL</b>	<b>6</b>	<b>67,234</b>	<b>167</b>	<b>5,141,397</b>	<b>0.00</b>	<b>0.06</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	22	1,666,427	328	21,619,174	0.00	0.06
Rural Development (RD)	11	835,076	517	10,072,272	0.01	0.11
<b>TOTAL</b>	<b>33</b>	<b>2,501,503</b>	<b>845</b>	<b>31,691,446</b>	<b>0.01</b>	<b>0.07</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>2,886,409</b>	<b>417</b>	<b>61,984,979</b>	<b>0.02</b>	<b>0.45</b>
ERDF	1	197,681	259	42,888,935	0.00	0.53
ESF	4	2,688,728	149	18,104,410	0.05	0.33
EMFF	1	0	9	991,634	0.00	0.56
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>2</b>	<b>454,866</b>	<b>83</b>	<b>7,816,222</b>		
ERDF	1	398,616	62	6,636,282		
ESF	0	0	16	695,762		
EMFF	1	56,250	5	484,178		
<b>Programming Period 2014-20 - cumulative</b>	<b>15</b>	<b>10,015,907</b>	<b>308</b>	<b>35,816,049</b>	<b>0.10</b>	<b>0.37</b>
ERDF	12	9,761,458	199	25,955,294	0.18	0.48
ESF	2	198,199	93	8,265,006	0.01	0.21
EMFF	1	56,250	16	1,595,749	0.02	0.50

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
10	50	0	0	10	50
0	0	0	0	1	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Croatia – Hrvatska

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	2	28,442	6	913,546	1.68%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	7	1,497,738	0.00	0.42
Rural Development (RD)	0	0	44	1,328,288	0.00	0.35
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>2,826,026</b>	<b>0.00</b>	<b>0.38</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	157,998	67	2,929,048	0.01	0.20
Rural Development (RD)	2	229,417	137	4,295,090	0.02	0.31
<b>TOTAL</b>	<b>5</b>	<b>387,415</b>	<b>204</b>	<b>7,224,138</b>	<b>0.01</b>	<b>0.25</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>4</b>	<b>2,184,460</b>	<b>50</b>	<b>9,554,245</b>	<b>0.28</b>	<b>1.23</b>
CF	0	0	18	2,368,121	0.00	0.85
ERDF	2	2,138,592	27	7,076,263	0.63	2.07
ESF	2	45,868	4	88,262	0.03	0.06
EFF	0	0	1	21,599	0.00	0.28
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>6,504,326</b>		
CF	0	0	1	4,277,746		
ERDF	0	0	3	360,107		
ESF	0	0	1	241,275		
EMFF	0	0	10	1,625,198		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>1,570,541</b>	<b>109</b>	<b>25,238,592</b>	<b>0.04</b>	<b>0.57</b>
CF	0	0	22	7,739,583	0.00	0.93
ERDF	4	1,570,541	56	13,530,823	0.05	0.47
ESF	0	0	10	1,864,696	0.00	0.33
EMFF	0	0	21	2,103,491	0.00	1.76

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
<b>Cohesion and Fisheries Policy</b>					

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Italy – Italia

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	15	11,429,409	68	4,905,775	0.66%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	7	781,981	165	6,933,294	0.02	0.16
Rural Development (RD)	6	2,759,155	113	8,767,606	0.19	0.60
SA/RD	5	408,387	15	1,320,924		
<b>TOTAL</b>	<b>18</b>	<b>3,949,523</b>	<b>293</b>	<b>17,021,824</b>	<b>0.07</b>	<b>0.30</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	96	7,655,864	1,386	66,343,557	0.04	0.31
Rural Development (RD)	31	9,247,689	541	60,908,548	0.15	0.97
SA/RD	36	3,812,307	163	19,972,181		
<b>TOTAL</b>	<b>163</b>	<b>20,715,860</b>	<b>2,090</b>	<b>147,224,286</b>	<b>0.07</b>	<b>0.53</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>2</b>	<b>21,928</b>	<b>5</b>	<b>824,968</b>		
ERDF	0	0	4	802,116		
EFF	2	21,928	1	22,852		
<b>Programming Period 2007-13 - cumulative</b>	<b>77</b>	<b>115,592,191</b>	<b>1,841</b>	<b>360,336,367</b>	<b>0.43</b>	<b>1.34</b>
ERDF	43	104,764,617	1,562	336,000,689	0.53	1.69
ESF	8	1,914,637	261	22,844,983	0.03	0.34
EFF	26	8,912,937	18	1,490,696	2.77	0.46
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>16,911,054</b>		
ERDF	0	0	60	14,707,986		
ESF	0	0	19	2,203,068		
EMFF	0	0	1	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>291</b>	<b>52,990,979</b>	<b>0.00</b>	<b>0.24</b>
ERDF	0	0	222	44,401,647	0.00	0.31
ESF	0	0	68	8,589,333	0.00	0.11
EMFF	0	0	1	0	0.00	0.00

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
40	45	8	9	41	46
<b>Cohesion and Fisheries Policy</b>					
32	47	1	1	35	51

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Cyprus – Κύπρος

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	13,590	0	0	0.03%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>11</b>	<b>1,156,899</b>	<b>55</b>	<b>4,436,574</b>	<b>0.18</b>	<b>0.70</b>
CF	0	0	9	1,583,683	0.00	0.74
ERDF	5	871,328	28	1,390,156	0.31	0.50
ESF	4	82,121	13	1,312,228	0.07	1.10
EFF	2	203,450	5	150,508	1.03	0.76
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>30,838</b>		
ERDF	0	0	1	503		
ESF	0	0	1	30,335		
<b>Programming Period 2014-20 - cumulative</b>	<b>1</b>	<b>126,260</b>	<b>12</b>	<b>765,039</b>	<b>0.02</b>	<b>0.13</b>
CF	0	0	3	342,156	0.00	0.19
ERDF	1	126,260	4	83,591	0.05	0.03
ESF	0	0	5	339,292	0.00	0.22

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
0	0	0	0	1	100
<b>Cohesion and Fisheries Policy</b>					
0	0	1	17	5	83

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF



Latvia – Latvija

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	1,043,536	35	2,815,117	4.88%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	86,961	0.00	0.03
Rural Development (RD)	4	182,290	20	742,306	0.15	0.60
<b>TOTAL</b>	<b>4</b>	<b>182,290</b>	<b>23</b>	<b>829,267</b>	<b>0.04</b>	<b>0.20</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	7	155,999	0.00	0.01
Rural Development (RD)	13	611,231	69	2,119,497	0.07	0.25
<b>TOTAL</b>	<b>13</b>	<b>611,231</b>	<b>76</b>	<b>2,275,496</b>	<b>0.03</b>	<b>0.11</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1,490,097</b>		
CF	0	0	1	1,471,720		
ERDF	0	0	1	18,377		
<b>Programming Period 2007-13 - cumulative</b>	<b>59</b>	<b>32,979,731</b>	<b>503</b>	<b>113,557,878</b>	<b>0.71</b>	<b>2.44</b>
CF	1	504	71	24,356,800	0.00	1.58
ERDF	49	32,667,411	382	78,043,471	1.36	3.24
ESF	8	127,497	33	5,868,007	0.02	1.01
EFF	1	184,318	17	5,289,600	0.15	4.24
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>8</b>	<b>4,142,308</b>	<b>35</b>	<b>13,676,805</b>		
CF	0	0	3	167,058		
ERDF	7	4,083,519	29	13,385,566		
ESF	0	0	3	124,182		
EMFF	1	58,789	0	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>32</b>	<b>15,650,704</b>	<b>85</b>	<b>16,781,770</b>	<b>0.53</b>	<b>0.56</b>
CF	1	1,041,151	11	1,205,257	0.14	0.16
ERDF	22	13,683,138	61	15,179,641	0.79	0.88
ESF	5	311,372	8	297,887	0.07	0.07
EMFF	4	615,043	5	98,986	0.80	0.13

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
2	22	4	44	3	33
<b>Cohesion and Fisheries Policy</b>					
6	18	8	24	20	59

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Lithuania – Lietuva

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	46	3,837,216	22	1,345,590	3.16%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	13	225,558	0.00	0.04
Rural Development (RD)	4	99,100	67	1,371,576	0.05	0.73
Blank	0	0	3	36,264		
<b>TOTAL</b>	<b>4</b>	<b>99,100</b>	<b>83</b>	<b>1,633,398</b>	<b>0.01</b>	<b>0.23</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	42,299	153	3,409,698	0.00	0.14
Rural Development (RD)	15	1,981,703	389	14,418,559	0.19	1.40
Bank	0	0	3	36,264		
<b>TOTAL</b>	<b>16</b>	<b>2,024,002</b>	<b>545</b>	<b>17,864,521</b>	<b>0.06</b>	<b>0.52</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 reporting year 2021</b>	<b>1</b>	<b>3,832,767</b>	<b>0</b>	<b>0</b>		
ERDF	1	3,832,767	0	0		
<b>Programming Period 2007-13 cumulative</b>	<b>15</b>	<b>5,582,189</b>	<b>540</b>	<b>103,245,554</b>	<b>0.08</b>	<b>1.51</b>
CF	5	773,524	184	66,605,096	0.03	2.89
ERDF	5	4,248,557	301	33,471,043	0.12	0.97
ESF	5	560,108	28	1,263,300	0.05	0.12
EFF	0	0	27	1,906,115	0.00	3.59
<b>Programming Period 2014-20 reporting year 2021</b>	<b>1</b>	<b>34,563</b>	<b>42</b>	<b>2,875,660</b>		
CF	0	0	11	335,525		
ERDF	0	0	26	2,308,835		
ESF	0	0	5	231,300		
EMFF	1	34,563	0	0		
<b>Programming Period 2014-20 cumulative</b>	<b>7</b>	<b>465,412</b>	<b>285</b>	<b>26,103,155</b>	<b>0.01</b>	<b>0.50</b>
CF	0	0	59	5,235,472	0.00	0.31
ERDF	0	0	211	20,283,148	0.00	0.78
ESF	6	430,849	15	584,535	0.05	0.06
EMFF	1	34,563	0	0	0.11	0.00

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
0	0	0	0	1	100
<b>Cohesion and Fisheries Policy</b>					
0	0	0	0	9	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Luxembourg

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	1	43,171	0.20%

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	0	0	1	39,266	0.00	0.06
SA/RD	1	15,857	0	0		
<b>TOTAL</b>	<b>1</b>	<b>15,857</b>	<b>1</b>	<b>39,266</b>	<b>0.01</b>	<b>0.02</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>210,788</b>	<b>0.00</b>	<b>0.42</b>
<i>ESF</i>	0	0	8	210,788	0.00	0.84
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>14,259</b>		
<i>ERDF</i>	0	0	1	14,259		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>14,259</b>	<b>0.00</b>	<b>0.01</b>
<i>ERDF</i>	0	0	1	14,259	0.00	0.06

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
0	0	0	0	1	100
<b>Cohesion and Fisheries Policy</b>					

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 PIF

Hungary - Magyarország

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	135,545	27	2,744,257	1.08%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	9	1,467,624	0.00	0.11
Rural Development (RD)	15	349,319	226	7,216,545	0.06	1.25
<b>TOTAL</b>	<b>15</b>	<b>349,319</b>	<b>235</b>	<b>8,684,169</b>	<b>0.02</b>	<b>0.46</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	264,600	113	9,389,026	0.00	0.14
Rural Development (RD)	25	1,794,341	596	21,080,344	0.08	0.94
<b>TOTAL</b>	<b>28</b>	<b>2,058,941</b>	<b>709</b>	<b>30,469,370</b>	<b>0.02</b>	<b>0.35</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>4</b>	<b>1,169,609</b>	<b>33</b>	<b>79,500,279</b>		
CF	0	0	4	68,468,141		
ERDF	2	190,762	29	11,032,138		
EFF	2	978,847	0	0		
<b>Programming Period 2007-13 - cumulative</b>	<b>121</b>	<b>12,187,418</b>	<b>2,030</b>	<b>383,922,047</b>	<b>0.05</b>	<b>1.55</b>
CF	2	126,056	131	110,836,243	0.00	1.30
ERDF	104	9,944,597	1,618	236,680,411	0.08	1.88
ESF	13	1,137,918	270	35,817,302	0.03	1.00
EFF	2	978,847	11	588,090	2.92	1.76
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>20</b>	<b>3,484,322</b>	<b>183</b>	<b>23,058,322</b>		
CF	0	0	7	1,000,540		
ERDF	16	2,513,964	118	19,121,378		
ESF	4	970,357	54	2,668,451		
EMFF	0	0	4	267,954		
<b>Programming Period 2014-20 - cumulative</b>	<b>141</b>	<b>34,794,027</b>	<b>446</b>	<b>77,744,189</b>	<b>0.21</b>	<b>0.47</b>
CF	0	0	23	10,749,063	0.00	0.23
ERDF	136	33,730,020	308	45,961,333	0.40	0.55
ESF	5	1,064,008	110	20,750,142	0.03	0.61
EMFF	0	0	5	283,651	0.00	1.40

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
57	78	6	8	10	14
<b>Cohesion and Fisheries Policy</b>					
0	0	0	0	6	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Malta

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	2	328,525	0.34%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	0	0	4	687,278	0.00	4.59
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>687,278</b>	<b>0.00</b>	<b>3.42</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	372,454	0.00	1.37
Rural Development (RD)	0	0	17	1,458,865	0.00	2.28
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>1,831,319</b>	<b>0.00</b>	<b>2.01</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>16</b>	<b>305,510</b>	<b>80</b>	<b>15,802,047</b>	<b>0.04</b>	<b>1.86</b>
CF	0	0	12	11,016,896	0.00	3.88
ERDF	16	305,510	48	4,216,267	0.07	0.95
ESF	0	0	20	568,884	0.00	0.51
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>590,454</b>		
CF	0	0	2	520,976		
ESF	0	0	1	69,478		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>1,208,432</b>	<b>0.00</b>	<b>0.26</b>
CF	0	0	2	520,976	0.00	0.41
ERDF	0	0	5	144,059	0.00	0.07
ESF	0	0	3	500,235	0.00	0.48
EMFF	0	0	2	43,162	0.00	0.31

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
0	0	0	0	5	100
<b>Cohesion and Fisheries Policy</b>					
0	0	0	0	14	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Netherlands - Nederland

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	5	14,406,943	490	156,872,977	4.34%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	7	28,819	9	81,917	0.00	0.01
Rural Development (RD)	0	0	3	250,124	0.00	0.15
<b>TOTAL</b>	<b>7</b>	<b>28,819</b>	<b>12</b>	<b>332,041</b>	<b>0.00</b>	<b>0.04</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	25	1,030,946	66	1,823,305	0.03	0.05
Rural Development (RD)	6	229,604	45	1,491,851	0.04	0.29
<b>TOTAL</b>	<b>31</b>	<b>1,260,550</b>	<b>111</b>	<b>3,315,156</b>	<b>0.03</b>	<b>0.08</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>15</b>	<b>4,324,984</b>	<b>429</b>	<b>36,913,611</b>	<b>0.26</b>	<b>2.19</b>
ERDF	2	209,943	242	20,301,458	0.03	2.45
ESF	13	4,115,041	56	10,534,163	0.50	1.28
EFF	0	0	131	6,077,990	0.00	18.98
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>2</b>	<b>151,025</b>	<b>7</b>	<b>128,242</b>		
ERDF	0	0	7	128,242		
ESF	2	151,025	0	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>160,025</b>	<b>22</b>	<b>765,251</b>	<b>0.02</b>	<b>0.09</b>
ERDF	0	0	20	569,242	0.00	0.16
ESF	3	151,025	1	177,390	0.04	0.04
EMFF	1	9,000	1	18,619	0.02	0.03

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
0	0	0	0	1	100

Natural resources

Cohesion and Fisheries Policy

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Austria – Österreich

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	4,203,383	56	2,183,110	2.22%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	5	1,183,097	0	0	0.17	0.00
Rural Development (RD)	0	0	1	61,395	0.00	0.01
<b>TOTAL</b>	<b>5</b>	<b>1,183,097</b>	<b>1</b>	<b>61,395</b>	<b>0.09</b>	<b>0.00</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	7	1,443,201	19	1,013,069	0.04	0.03
Rural Development (RD)	1	64,390	23	1,059,797	0.00	0.04
<b>TOTAL</b>	<b>8</b>	<b>1,507,591</b>	<b>42</b>	<b>2,072,866</b>	<b>0.02</b>	<b>0.03</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>23,431</b>		
ERDF	0	0	1	23,431		
<b>Programming Period 2007-13 - cumulative</b>	<b>8</b>	<b>1,542,060</b>	<b>318</b>	<b>25,124,742</b>	<b>0.13</b>	<b>2.19</b>
ERDF	7	1,531,149	260	21,842,889	0.24	3.48
ESF	1	10,911	57	3,264,208	0.00	0.63
EFF	0	0	1	17,645	0.00	0.34
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>470,415</b>		
ERDF	0	0	9	401,068		
ESF	0	0	3	69,347		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>88,632</b>	<b>50</b>	<b>3,869,912</b>	<b>0.01</b>	<b>0.57</b>
ERDF	0	0	39	3,624,223	0.00	0.99
ESF	5	88,632	10	163,745	0.03	0.05
EMFF	0	0	1	81,943	0.00	1.46

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N.	Ratio %	N.	Ratio %	N.	Ratio %
<b>Natural resources</b>					
0	0	1	14	6	86
<b>Cohesion and Fisheries Policy</b>					
0	0	1	17	5	83

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Poland – Polska

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	21	1,194,104	96	10,969,958	0.81%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	14	5,076,226	68	73,357,827	0.15	2.19
Rural Development (RD)	5	196,197	292	8,901,221	0.01	0.63
<b>TOTAL</b>	<b>19</b>	<b>5,272,423</b>	<b>360</b>	<b>82,259,048</b>	<b>0.11</b>	<b>1.72</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	76	62,646,783	225	164,251,726	0.37	0.96
Rural Development (RD)	59	4,059,883	885	27,855,547	0.08	0.53
SA/RD	1	45,603	0	0		
<b>TOTAL</b>	<b>136</b>	<b>66,752,269</b>	<b>1,110</b>	<b>192,107,273</b>	<b>0.30</b>	<b>0.86</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>4</b>	<b>2,451,722</b>	<b>31</b>	<b>8,537,696</b>		
ERDF	4	2,451,722	28	8,418,639		
EFF	0	0	3	119,057		
<b>Programming Period 2007-13 - cumulative</b>	<b>315</b>	<b>426,032,687</b>	<b>5,617</b>	<b>1,367,346,439</b>	<b>0.63</b>	<b>2.01</b>
CF	8	169,309,554	202	261,659,032	0.76	1.17
ERDF	245	243,042,146	4,817	1,054,401,941	0.70	3.03
ESF	54	8,065,157	495	44,009,968	0.08	0.44
EFF	8	5,615,829	103	7,275,498	0.79	1.02
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>13</b>	<b>2,156,799</b>	<b>627</b>	<b>89,939,727</b>		
CF	4	114,232	21	4,293,410		
ERDF	4	1,191,832	412	66,640,914		
ESF	5	850,735	191	18,847,226		
EMFF	0	0	3	158,177		
<b>Programming Period 2014-20 - cumulative</b>	<b>99</b>	<b>46,585,899</b>	<b>1,898</b>	<b>291,200,665</b>	<b>0.08</b>	<b>0.49</b>
CF	5	3,585,623	97	18,205,943	0.02	0.10
ERDF	47	32,679,499	1,196	224,138,478	0.10	0.71
ESF	45	9,904,821	599	48,370,826	0.11	0.54
EMFF	2	415,956	6	485,418	0.14	0.17

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
32	22	25	17	87	60
<b>Cohesion and Fisheries Policy</b>					
38	30	16	13	73	57

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF



Portugal

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	698,431	9	1,132,825	0.80%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	25	1,794,249	0.00	0.21
Rural Development (RD)	0	0	384	8,946,611	0.00	2.23
Blank	0	0	2	37,466		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>411</b>	<b>10,778,326</b>	<b>0.00</b>	<b>0.86</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	8	534,668	181	6,761,641	0.01	0.17
Rural Development (RD)	21	1,166,781	1,469	70,942,820	0.05	2.80
Blank	0	0	3	67,539		
<b>TOTAL</b>	<b>29</b>	<b>1,701,449</b>	<b>1653</b>	<b>77,772,000</b>	<b>0.03</b>	<b>1.20</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>5</b>	<b>1,505,747</b>	<b>0</b>	<b>0</b>		
ESF	5.0	1,505,747.0	0.0	0.0		
<b>Programming Period 2007-13 - cumulative</b>	<b>67</b>	<b>168,214,604</b>	<b>1,255</b>	<b>185,423,361</b>	<b>0.78</b>	<b>0.86</b>
CF	1	91,452	75	7,249,585	0.00	0.24
ERDF	23	104,876,946	693	145,628,563	0.91	1.27
ESF	29	62,311,343	361	16,364,948	0.91	0.24
EFF	14	934,864	126	16,180,264	0.43	7.47
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>13</b>	<b>33,777,617</b>	<b>66</b>	<b>6,188,477</b>		
CF	0	0	5	906,864		
ERDF	10	32,993,557	14	1,402,567		
ESF	3	784,060	28	2,436,788		
EMFF	0	0	19	1,442,258		
<b>Programming Period 2014-20 - cumulative</b>	<b>30</b>	<b>39,301,552</b>	<b>192</b>	<b>21,511,088</b>	<b>0.23</b>	<b>0.12</b>
CF	0	0	11	2,024,409	0.00	0.11
ERDF	11	35,925,675	85	11,139,679	0.36	0.11
ESF	17	3,246,429	62	4,687,789	0.06	0.09
EMFF	2	129,448	34	3,659,212	0.05	1.47

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
0	0	0	0	1	100
<b>Cohesion and Fisheries Policy</b>					
1	9	0	0	10	91

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Romania – România

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	10	608,828	35	2,223,177	0.98%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	55	1,943,508	71	5,055,615	0.10	0.26
Rural Development (RD)	57	5,668,621	308	20,523,787	0.47	1.69
<b>TOTAL</b>	<b>112</b>	<b>7,612,129</b>	<b>379</b>	<b>25,579,402</b>	<b>0.24</b>	<b>0.81</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	312	12,216,288	476	55,347,983	0.13	0.59
Rural Development (RD)	234	45,636,158	1,384	94,521,248	0.75	1.55
SA/RD	1	696,043	0	0		
<b>TOTAL</b>	<b>547</b>	<b>58,548,489</b>	<b>1860</b>	<b>149,869,231</b>	<b>0.38</b>	<b>0.97</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>12</b>	<b>9,915,203</b>	<b>20</b>	<b>8,972,611</b>		
CF	0	0	1	163,683		
ERDF	10	4,010,614	8	4,397,252		
ESF	2	5,904,590	10	3,876,632		
EFF	0	0	1	535,044		
<b>Programming Period 2007-13 - cumulative</b>	<b>255</b>	<b>161,626,513</b>	<b>2,449</b>	<b>572,213,515</b>	<b>0.94</b>	<b>3.33</b>
CF	2	14,919,464	356	188,092,645	0.26	3.22
ERDF	166	126,406,460	1,176	284,441,407	1.55	3.49
ESF	83	18,799,400	823	77,431,620	0.63	2.58
EFF	4	1,501,189	94	22,247,844	0.89	13.14
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>49</b>	<b>1,390,408,271</b>	<b>181</b>	<b>104,093,098</b>		
CF	2	104,736,911	18	17,807,375		
ERDF	45	1,285,570,559	71	82,427,767		
ESF	2	100,802	88	3,538,950		
EMFF	0	0	4	319,006		
<b>Programming Period 2014-20 - cumulative</b>	<b>140</b>	<b>1,519,306,018</b>	<b>480</b>	<b>165,983,308</b>	<b>11.89</b>	<b>1.30</b>
CF	18	213,354,370	38	21,725,581	5.50	0.56
ERDF	119	1,305,796,027	247	131,751,997	21.51	2.17
ESF	3	155,621	185	12,024,393	0.01	0.44
EMFF	0	0	10	481,337	0.00	0.56

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
3	2	19	13	122	85
<b>Cohesion and Fisheries Policy</b>					
1	2	2	4	52	95

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Slovenia – Slovenija

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	565,821	9	274,665	0.50%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	44,786	0.00	0.03
Rural Development (RD)	1	13,350	10	200,232	0.01	0.17
<b>TOTAL</b>	<b>1</b>	<b>13,350</b>	<b>13</b>	<b>245,018</b>	<b>0.01</b>	<b>0.09</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	94,406	10	206,711	0.01	0.03
Rural Development (RD)	3	145,337	56	1,492,274	0.03	0.27
<b>TOTAL</b>	<b>5</b>	<b>239,743</b>	<b>66</b>	<b>1,698,985</b>	<b>0.02</b>	<b>0.13</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>23</b>	<b>25,507,438</b>	<b>263</b>	<b>54,745,698</b>	<b>0.62</b>	<b>1.33</b>
CF	0	0	22	11,240,702	0.00	0.80
ERDF	14	25,243,627	182	39,342,553	1.31	2.03
ESF	9	263,811	57	3,750,457	0.03	0.50
EFF	0	0	2	411,986	0.00	2.06
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>1,278,174</b>		
ERDF	0	0	10	987,863		
ESF	0	0	3	290,311		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>818,085</b>	<b>29</b>	<b>2,480,997</b>	<b>0.04</b>	<b>0.11</b>
CF	0	0	3	622,054	0.00	0.10
ERDF	1	118,130	16	1,380,292	0.01	0.12
ESF	4	699,955	10	478,651	0.14	0.09

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
0	0	4	31	9	69
7	54	1	8	5	38

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Slovakia – Slovensko

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	37,131	4	833,188	0.18%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	17,728	1	46,799	0.00	0.01
Rural Development (RD)	0	0	15	1,821,593	0.00	1.31
SA/RD	3	82,912	18	413,449		
<b>TOTAL</b>	<b>4</b>	<b>100,640</b>	<b>34</b>	<b>2,281,841</b>	<b>0.02</b>	<b>0.43</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	5	77,746	11	294,652	0.00	0.01
Rural Development (RD)	9	971,087	118	9,823,592	0.11	1.08
SA/RD	7	1,133,942	37	2,564,221		
<b>TOTAL</b>	<b>21</b>	<b>2,182,775</b>	<b>166</b>	<b>12,682,465</b>	<b>0.07</b>	<b>0.41</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2021</b>	<b>14</b>	<b>11,675,475</b>	<b>42</b>	<b>42,731,373</b>		
CF	1	8,879,593	12	13,995,123		
ERDF	4	2,118,312	28	28,679,113		
ESF	7	380,767	1	29,113		
EFF	2	296,802	1	28,024		
<b>Programming Period 2007-13 - cumulative</b>	<b>166</b>	<b>104,012,481</b>	<b>1,472</b>	<b>996,277,739</b>	<b>0.95</b>	<b>9.06</b>
CF	15	40,275,184	141	373,922,171	1.06	9.88
ERDF	92	57,814,852	907	543,100,602	1.00	9.37
ESF	55	5,522,619	413	78,367,258	0.39	5.56
EFF	4	399,827	11	887,707	3.88	8.60
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>19</b>	<b>147,810,946</b>	<b>128</b>	<b>168,455,580</b>		
CF	2	118,273,681	16	80,135,707		
ERDF	14	24,671,581	81	50,109,361		
ESF	3	4,865,684	30	38,199,740		
EMFF	0	0	1	10,773		
<b>Programming Period 2014-20 - cumulative</b>	<b>76</b>	<b>755,313,720</b>	<b>415</b>	<b>531,821,075</b>	<b>9.64</b>	<b>6.79</b>
CF	28	131,758,706	87	342,500,821	5.05	13.14
ERDF	28	617,928,231	254	124,373,299	18.90	3.80
ESF	20	5,626,783	71	64,785,566	0.29	3.31
EMFF	0	0	3	161,390	0.00	9.44

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
0	0	1	50	1	50
<b>Cohesion and Fisheries Policy</b>					
11	69	5	31	0	0

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Finland – Suomi-Finland

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	47	12,180,822	5.83%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	1	11,538	0.00	0.00
Rural Development (RD)	0	0	8	349,435	0.00	0.08
SA/RD	0	0	1	11,938		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>372,911</b>	<b>0.00</b>	<b>0.04</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	22	485,873	0.00	0.02
Rural Development (RD)	1	41,297	46	1,276,119	0.00	0.07
SA/RD	0	0	1	11,938		
<b>TOTAL</b>	<b>1</b>	<b>41,297</b>	<b>69</b>	<b>1,773,930</b>	<b>0.00</b>	<b>0.04</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>3</b>	<b>66,629</b>	<b>81</b>	<b>4,113,081</b>	<b>0.00</b>	<b>0.25</b>
ERDF	2	39,843	52	2,369,504	0.00	0.24
ESF	0	0	20	1,187,124	0.00	0.19
EFF	1	26,786	9	556,453	0.07	1.47
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>143,786</b>		
ERDF	0	0	3	54,578		
ESF	0	0	3	63,858		
EMFF	0	0	1	25,350		
<b>Programming Period 2014-20 - cumulative</b>	<b>1</b>	<b>425,525</b>	<b>34</b>	<b>1,185,657</b>	<b>0.04</b>	<b>0.11</b>
ERDF	1	425,525	19	757,858	0.07	0.12
ESF	0	0	10	183,199	0.00	0.04
EMFF	0	0	5	244,601	0.00	0.40

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)					
Dismissal		Established fraud		Pending	
N	Ratio %	N	Ratio %	N	Ratio %
<b>Natural resources</b>					
<b>Cohesion and Fisheries Policy</b>					
3	100	0	0	0	0

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021PIF

Sweden – Sverige

1. Traditional Own Resources					
Reporting Year 2021	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	194	10,241,275	1.47%

2. Natural Resources						
Irregularities reported in 2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	5	76,455	0.00	0.01
Rural Development (RD)	0	0	6	397,799	0.00	0.12
SA/RD	0	0	1	22,203		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>496,457</b>	<b>0.00</b>	<b>0.05</b>

Irregularities reported 2017-2021						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	6	2,083,045	0.00	0.06
Rural Development (RD)	1	12,947	19	1,136,825	0.00	0.10
SA/RD	0	0	1	22,203		
<b>TOTAL</b>	<b>1</b>	<b>12,947</b>	<b>26</b>	<b>3,242,073</b>	<b>0.00</b>	<b>0.07</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>4</b>	<b>66,797</b>	<b>147</b>	<b>8,105,895</b>	<b>0.00</b>	<b>0.49</b>
ERDF	2	29,027	85	5,086,551	0.00	0.56
ESF	2	37,770	48	2,562,390	0.01	0.37
EFF	0	0	14	456,954	0.00	0.95
<b>Programming Period 2014-20 - reporting year 2021</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>306,071</b>		
ERDF	0	0	6	236,629		
ESF	0	0	3	69,442		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>2,588,916</b>	<b>48</b>	<b>3,093,342</b>	<b>0.22</b>	<b>0.26</b>
ERDF	1	21,659	18	806,309	0.00	0.12
ESF	1	303,550	29	1,289,532	0.07	0.29
EMFF	2	2,263,707	1	997,501	3.58	1.58

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending	
N.	Ratio %	N.	Ratio %	N.	Ratio %
0	0	0	0	6	100
<b>Cohesion and Fisheries Policy</b>					
2	67	0	0	1	33

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2021 PIF

## ANNEXES

## Annex 1

TOR: Total number of fraudulent and non-fraudulent cases with the related estimated and established amount 2017 - 2021										
MS	2017		2018		2019		2020		2021	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	223	23 726 124	261	22 283 583	385	47 469 948	394	58 981 792	442	87 247 113
BG	20	1 256 344	16	3 464 979	2	653 686	7	4 033 595	29	2 895 782
CZ	89	8 694 889	94	4 867 003	51	4 429 408	60	5 040 428	65	3 051 061
DK	58	2 420 367	54	7 321 780	66	3 395 257	68	5 417 046	101	4 348 312
DE	2 002	106 540 344	1 744	126 395 355	1 794	139 989 508	1 695	167 522 042	1 308	77 064 929
EE	5	322 079	9	642 408	7	605 861	8	1 120 169	9	1 053 524
IE	35	3 189 457	36	3 514 983	22	1 459 809	20	2 917 657	27	1 446 990
EL	48	15 154 453	42	7 953 756	61	4 453 577	86	7 808 656	31	12 502 920
ES	265	49 717 527	335	36 398 063	319	26 305 200	376	49 986 510	447	61 776 666
FR	299	23 916 706	297	95 748 314	308	26 511 502	247	42 426 057	307	24 238 882
HR	15	1 076 494	16	1 084 592	8	514 819	23	1 693 806	8	941 988
IT	145	19 031 678	104	10 377 350	163	14 591 931	98	8 241 619	83	16 335 184
CY	5	128 966	4	70 088	1	10 463			1	13 590
LV	12	555 952	20	1 396 206	25	1 018 410	28	1 494 637	44	3 858 653
LT	57	2 238 382	45	4 907 983	27	3 426 512	66	5 145 936	68	5 182 806
LU	5	162 959			1	111 376	1	15 690	1	43 171
HU	26	1 467 961	11	1 072 471	56	3 221 298	71	11 758 061	28	2 879 802
MT	2	366 319					1	27 024	2	328 525
NL	450	75 544 010	503	129 423 739	408	75 820 261	432	31 081 109	495	171 279 920
AT	56	7 337 055	48	2 199 340	47	4 943 359	47	1 958 839	60	6 386 492
PL	99	2 998 406	156	6 857 085	144	10 146 884	124	11 203 879	117	12 164 061
PT	38	5 457 304	37	9 398 614	33	1 913 721	14	469 667	12	1 831 256
RO	32	1 666 170	25	1 143 202	57	3 573 862	45	3 044 141	45	2 832 005
SI	13	425 419	15	1 019 068	10	428 418	23	5 642 854	10	840 486
SK	11	756 807	11	544 606	7	423 202	9	165 408	7	870 319
FI	31	1 894 518	32	2 945 510	56	7 308 607	43	3 756 471	47	12 180 822
SE	169	10 696 185	155	7 585 436	176	11 126 890	169	11 580 849	194	10 241 275
EU-27	4 210	366 742 875	4 070	488 615 514	4 234	393 853 768	4 155	442 533 942	3 988	523 836 534
UK	812	92 462 810	822	132 149 553	906	101 554 880	703	94 587 939	375	40 507 793
Total	5 022	459 205 685	4 892	620 765 067	5 140	495 408 647	4 858	537 121 881	4 363	564 344 327

\* Cut-off date 15/03/2022



## Annex 2

TOR: Total number of fraudulent cases with the related estimated and established amount 2017 - 2021										
MS	2017		2018		2019		2020		2021	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	28	13 990 000	41	16 062 287	119	33 742 158	108	47 286 814	161	75 935 747
BG	19	1 190 756	15	3 405 759	2	653 686	7	4 033 595	27	2 754 185
CZ									1	16 336
DK	1	88 016	2	167 718	2	146 535	4	179 627	6	351 143
DE	60	6 471 435	115	20 558 453	84	32 093 868	101	9 880 892	52	4 110 039
EE	4	310 930	4	568 102	5	505 284	6	1 032 346	8	1 033 810
IE	1	33 992	10	1 497 154	6	333 031	5	360 328	1	100 366
EL	37	14 834 859	32	6 662 449	14	2 346 258	29	3 670 490	9	9 995 058
ES	35	3 252 144	48	6 059 817	30	2 561 607	37	14 234 371	25	18 044 071
FR	98	9 202 746	62	80 351 669	53	6 431 521	44	26 168 230	71	6 540 506
HR	8	818 154	12	1 011 280	2	388 465	13	1 213 666	2	28 442
IT	23	2 243 030	38	5 763 881	31	2 387 954	17	2 507 329	15	11 429 409
CY	4	118 402	1	12 878					1	13 590
LV	8	359 109	9	1 103 972	15	735 101	12	773 635	9	1 043 536
LT	38	1 275 220	20	1 683 684	17	2 458 400	41	4 275 529	46	3 837 216
LU										
HU	4	281 318	1	668 039	1	24 550	6	170 938	1	135 545
MT	2	366 319								
NL	10	3 358 199	18	2 365 801	7	2 500 608	9	1 333 377	5	14 406 943
AT	7	5 625 470	4	147 356	6	1 049 233	3	120 165	4	4 203 383
PL	52	1 729 020	41	2 083 734	27	2 532 711	33	2 203 630	21	1 194 104
PT	7	908 214	4	1 643 054	6	1 065 765	3	120 502	3	698 431
RO	9	286 427	3	48 256	5	310 176	9	234 520	10	608 828
SI	4	89 400	8	405 956	2	64 994	7	1 358 807	1	565 821
SK			5	115 016	1	15 500	3	40 680	3	37 131
FI	4	68 254	5	267 571	4	226 260	3	153 380		
SE	4	4 311 884	1	33 834	1	76 845	2	105 540		
EU-27	467	71 213 299	499	152 687 721	440	92 650 510	502	121 458 391	482	157 083 641
UK	9	492 867	28	979 857	29	992 995	7	16 327 115	2	4 634 349
Total	476	71 706 166	527	153 667 578	469	93 643 505	509	137 785 506	484	161 717 990

\* Cut-off date 15/03/2022

Annex 3

TOR: Total number of non-fraudulent cases with the related estimated and established amount 2017 - 2021										
MS	2017		2018		2019		2020		2021	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	195	9 736 124	220	6 221 296	266	13 727 790	286	11 694 978	281	11 311 366
BG	1	65 587	1	59 220					2	141 597
CZ	89	8 694 889	94	4 867 003	51	4 429 408	60	5 040 428	64	3 034 725
DK	57	2 332 351	52	7 154 062	64	3 248 722	64	5 237 419	95	3 997 169
DE	1 942	100 068 909	1 629	105 836 902	1 710	107 895 640	1 594	157 641 149	1 256	72 954 890
EE	1	11 149	5	74 306	2	100 577	2	87 823	1	19 714
IE	34	3 155 465	26	2 017 829	16	1 126 778	15	2 557 329	26	1 346 624
EL	11	319 594	10	1 291 307	47	2 107 319	57	4 138 166	22	2 507 862
ES	230	46 465 383	287	30 338 246	289	23 743 593	339	35 752 139	422	43 732 595
FR	201	14 713 960	235	15 396 645	255	20 079 981	203	16 257 827	236	17 698 376
HR	7	258 340	4	73 312	6	126 354	10	480 140	6	913 546
IT	122	16 788 648	66	4 613 469	132	12 203 977	81	5 734 290	68	4 905 775
CY	1	10 564	3	57 210	1	10 463				
LV	4	196 843	11	292 235	10	283 309	16	721 002	35	2 815 117
LT	19	963 162	25	3 224 299	10	968 112	25	870 407	22	1 345 590
LU	5	162 959			1	111 376	1	15 690	1	43 171
HU	22	1 186 643	10	404 431	55	3 196 748	65	11 587 123	27	2 744 257
MT							1	27 024	2	328 525
NL	440	72 185 811	485	127 057 938	401	73 319 653	423	29 747 732	490	156 872 977
AT	49	1 711 585	44	2 051 983	41	3 894 126	44	1 838 674	56	2 183 110
PL	47	1 269 386	115	4 773 352	117	7 614 173	91	9 000 249	96	10 969 958
PT	31	4 549 090	33	7 755 560	27	847 956	11	349 165	9	1 132 825
RO	23	1 379 743	22	1 094 946	52	3 263 686	36	2 809 620	35	2 223 177
SI	9	336 019	7	613 112	8	363 424	16	4 284 047	9	274 665
SK	11	756 807	6	429 590	6	407 702	6	124 729	4	833 188
FI	27	1 826 264	27	2 677 938	52	7 082 348	40	3 603 091	47	12 180 822
SE	165	6 384 301	154	7 551 602	175	11 050 045	167	11 475 309	194	10 241 275
EU-27	3 743	295 529 576	3 571	335 927 792	3 794	301 203 258	3 653	321 075 551	3 506	366 752 893
UK	803	91 969 943	794	131 169 697	877	100 561 885	696	78 260 824	373	35 873 444
Total	4 546	387 499 519	4 365	467 097 489	4 671	401 765 142	4 349	399 336 375	3 879	402 626 337

\* Cut-off date 15/03/2022

## Annex 4

TOR: Percentage of the financial impact of OWNRES cases to the collected and made available TOR (gross) in 2021 per Member State*							
MS	Gross amount TOR collected (A account)**	All		Fraudulent		Non-fraudulent	
		OWNRES established and estimated amount	OWNRES established and estimated amount as a % in amount gross TOR collected	OWNRES established and estimated amount	OWNRES established and estimated amount as a % in amount gross TOR collected	OWNRES established and estimated amount	OWNRES established and estimated amount as a % in amount gross TOR collected
	EUR	EUR	%	EUR	%	EUR	%
	1	2	3=2/1	4	5=4/1	6	7=6/1
BE	2 298 846 465	87 247 113	3,80%	75 935 747	3,30%	11 311 366	0,49%
BG	213 401 868	2 895 782	1,36%	2 754 185	1,29%	141 597	0,07%
CZ	397 242 631	3 051 061	0,77%	16 336	0,00%	3 034 725	0,76%
DK	481 405 838	4 348 312	0,90%	351 143	0,07%	3 997 169	0,83%
DE	5 093 429 527	77 064 929	1,51%	4 110 039	0,08%	72 954 890	1,43%
EE	56 927 426	1 053 524	1,85%	1 033 810	1,82%	19 714	0,03%
IE	520 025 558	1 446 990	0,28%	100 366	0,02%	1 346 624	0,26%
EL	285 526 553	12 502 920	4,38%	9 995 058	3,50%	2 507 862	0,88%
ES	2 037 380 794	61 776 666	3,03%	18 044 071	0,89%	43 732 595	2,15%
FR	2 354 923 761	24 238 882	1,03%	6 540 506	0,28%	17 698 376	0,75%
HR	56 007 666	941 988	1,68%	28 442	0,05%	913 546	1,63%
IT	2 490 547 037	16 335 184	0,66%	11 429 409	0,46%	4 905 775	0,20%
CY	41 148 359	13 590	0,03%	13 590	0,03%	0	0,00%
LV	79 094 297	3 858 653	4,88%	1 043 536	1,32%	2 815 117	3,56%
LT	164 257 905	5 182 806	3,16%	3 837 216	2,34%	1 345 590	0,82%
LU	21 819 219	43 171	0,20%	0	0,00%	43 171	0,20%
HU	265 882 164	2 879 802	1,08%	135 545	0,05%	2 744 257	1,03%
MT	97 819 881	328 525	0,34%	0	0,00%	328 525	0,34%
NL	3 943 194 481	171 279 920	4,34%	14 406 943	0,37%	156 872 977	3,98%
AT	287 881 830	6 386 492	2,22%	4 203 383	1,46%	2 183 110	0,76%
PL	1 495 986 151	12 164 061	0,81%	1 194 104	0,08%	10 969 958	0,73%
PT	227 647 414	1 831 256	0,80%	698 431	0,31%	1 132 825	0,50%
RO	289 798 089	2 832 005	0,98%	608 828	0,21%	2 223 177	0,77%
SI	168 557 690	840 486	0,50%	565 821	0,34%	274 665	0,16%
SK	495 413 670	870 319	0,18%	37 131	0,01%	833 188	0,17%
FI	209 018 621	12 180 822	5,83%	0	0,00%	12 180 822	5,83%
SE	697 152 291	10 241 275	1,47%	0	0,00%	10 241 275	1,47%
EU-27	24 770 337 187	523 836 534	2,11%	157 083 641	0,63%	366 752 893	1,48%
UK	613 244 024	40 507 793	6,61%	4 634 349	0,76%	35 873 444	5,85%
<b>Total</b>	<b>25 383 581 211</b>	<b>564 344 327</b>	<b>2,22%</b>	<b>161 717 990</b>	<b>0,64%</b>	<b>402 626 337</b>	<b>1,59%</b>

\* Cut-off date 15/03/2022

\*\* The figure in column 1 might slightly differ from the final ones published in the financial accounts. The term 'gross amount of TOR' used in this table means the collected amount of TOR which was thereafter made available to the EU budget after deduction of the applicable retention rate concerning collection costs.

## Annex 5

TOR: Recovery rates (RR) per cut-off date						
MS	2020			2021		
	Established amount	Recovered amount	RR	Established amount	Recovered amount	RR
	EUR	EUR	%	EUR	EUR	%
	1	2	3=2/1	1	2	3=2/1
BE	47 875 950	30 114 064	63%	76 981 362	16 618 590	22%
BG	4 033 595	18 530	0%	2 884 187	34 436	1%
CZ	4 996 818	3 140 974	63%	3 051 061	3 035 283	99%
DK	5 417 046	5 285 997	98%	4 348 312	4 307 061	99%
DE	167 522 042	163 146 920	97%	77 051 474	73 595 613	96%
EE	87 823	87 823	100%	19 714	19 714	100%
IE	2 557 329	2 475 869	97%	1 346 624	943 661	70%
EL	5 246 899	904 993	17%	3 547 504	641 662	18%
ES	44 981 391	38 863 096	86%	61 776 666	46 622 005	75%
FR	42 200 791	14 639 987	35%	22 480 500	14 097 363	63%
HR	635 652	635 652	100%	941 988	941 988	100%
IT	8 213 090	3 016 767	37%	8 061 485	1 380 283	17%
CY			0%	13 590	13 590	100%
LV	735 734	583 314	79%	3 018 203	2 150 999	71%
LT	839 837	778 659	93%	1 345 590	787 814	59%
LU	15 690	15 690	100%	43 171	43 171	100%
HU	11 758 061	1 007 982	9%	2 879 803	492 764	17%
MT	27 024	27 024	100%	328 525	328 525	100%
NL	30 869 106	25 741 376	83%	170 829 234	42 617 279	25%
AT	1 958 839	1 943 521	99%	6 373 292	3 347 935	53%
PL	5 027 855	3 171 046	63%	3 093 731	2 146 406	69%
PT	469 667	469 667	100%	1 831 256	660 110	36%
RO	2 958 422	1 681 043	57%	2 832 005	1 846 765	65%
SI	5 642 854	1 815 351	32%	840 486	231 668	28%
SK	165 408	165 408	100%	833 188	833 188	100%
FI	3 632 576	3 577 980	98%	12 180 822	12 140 609	100%
SE	11 423 033	10 541 548	92%	10 241 275	9 711 557	95%
EU-27	409 292 534	313 850 282	77%	479 175 047	239 590 039	50%
UK	94 551 302	73 997 746	78%	40 507 793	26 232 753	65%
Total	503 843 836	387 848 027	77%	519 682 840	265 822 792	51%

\* Cut-off date 15/03/2022

## Annex 6

TOR: Estimated and established amount per customs procedure per Member State 2021										
MS	Fraudulent					Non-fraudulent				
	Release for free circulation	Transit	Customs warehousing	Inward processing	Other	Release for free circulation	Transit	Customs warehousing	Inward processing	Other
BE	73 248 497	1 513 900	1 153 372		19 978	8 726 469	1 265 433	11 409	328 037	980 018
BG	2 742 590	11 595				141 597				
CZ	16 336					3 034 725				
DK	351 143					3 789 895			60 365	146 909
DE	3 962 289	133 482	14 269			66 742 820	697 498	3 779 421	1 635 088	100 063
EE					1 033 810	19 714				
IE					100 366	1 149 842			196 782	
EL	486 147	185 710	16 982		9 306 220	2 507 862				
ES	18 044 071					36 171 808	49 795	190 306	7 243 395	77 291
FR	4 627 156	1 746 400	13 877		153 073	15 140 881	25 218	764 208	1 401 647	366 422
HR		28 442				913 546				
IT	3 204 764		15 746		8 208 900	4 854 587			51 188	
CY	13 590									
LV	552 450		203 086		288 000	2 772 318	14 760		28 039	
LT			3 837 216			1 096 412	249 178			
LU						43 171				
HU	135 545					2 567 911			159 314	17 032
MT						328 525				
NL	13 643 496		763 447			128 687 452	1 407 614	1 990 111	6 237 166	18 550 634
AT	4 203 383					2 045 159	94 060		17 077	26 814
PL	224 827	348 093	621 184			10 932 892	37 066			
PT	698 431					1 132 825				
RO	608 828					2 176 705			22 128	24 344
SI	565 821					274 665				
SK		37 131				833 188				
FI						4 047 378		8 007 724	87 702	38 017
SE						7 974 150	441 392	76 126	1 198 837	550 771
EU-27	127 329 364	4 004 752	6 639 177	-	19 110 347	308 106 496	4 282 013	14 819 305	18 666 764	20 878 315
UK	4 634 349					28 694 445			7 178 999	
<b>Total</b>	<b>131 963 713</b>	<b>4 004 752</b>	<b>6 639 177</b>	<b>-</b>	<b>19 110 347</b>	<b>336 800 941</b>	<b>4 282 013</b>	<b>14 819 305</b>	<b>25 845 763</b>	<b>20 878 315</b>

\* Cut-off date 15/03/2022

## Annex 7

TOR: Customs procedure by number of cases per Member State 2021										
MS	Fraudulent					Non-fraudulent				
	Release for free circulation	Transit	Customs warehousing	Inward processing	Other	Release for free circulation	Transit	Customs warehousing	Inward processing	Other
BE	147	4	7		3	181	93	1	3	3
BG	24	3				2				
CZ	1					64				
DK	6					91			3	1
DE	50	1	1			1 170	37	22	21	6
EE					8	1				
IE					1	17			9	
EL	3	1	1		4	22				
ES	25					387	2	3	29	1
FR	36	5	1		29	220	2	2	10	2
HR		2				6				
IT	13		1		1	66			2	
CY	1									
LV	7		1		1	33	1		1	
LT			46			21	1			
LU						1				
HU	1					25			1	1
MT						2				
NL	4		1			304	87	37	47	15
AT	4					50	3		1	2
PL	5	7	9			93	3			
PT	3					9				
RO	10					33			1	1
SI	1					9				
SK		3				4				
FI						40		3	2	2
SE						177	10	2	1	4
<b>EU-27</b>	<b>341</b>	<b>26</b>	<b>68</b>	<b>0</b>	<b>47</b>	<b>3 028</b>	<b>239</b>	<b>70</b>	<b>131</b>	<b>38</b>
UK	2					315			58	
<b>Total</b>	<b>343</b>	<b>26</b>	<b>68</b>	<b>0</b>	<b>47</b>	<b>3 343</b>	<b>239</b>	<b>70</b>	<b>189</b>	<b>38</b>

\* Cut-off date 15/03/2022

## Annex 8

TOR: Method of detection by number of cases per Member State 2021														
MS	Fraudulent							Non-fraudulent						
	All	Release controls	Post-release controls	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other	All	Release controls	Post-release controls	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other
BE	161	95	10	50	1	2	3	281	142	115	9		1	14
BG	27	1	24	2				2		2				
CZ	1	1						64	3	43			17	1
DK	6	5				1		95	35	21	1		35	3
DE	52	2	12	34		4		1 256	94	865	11	70	187	29
EE	8	5		3				1		1				
IE	1			1				26	1	6	2	4	10	3
EL	9	3	2	1			3	22		3	19			
ES	25		4	9	11		1	422	119	124	20	104	50	5
FR	71	36	21	14				236	68	81	56		31	
HR	2	2						6		5	1			
IT	15	1	7	7				68	22	27	19			
CY	1		1					0						
LV	9	8					1	35	2	21		4	8	
LT	46			46				22	1	21				
LU	0							1	1					
HU	1		1					27	2	24	1			
MT	0							2		2				
NL	5	1	4					490	146	285			59	
AT	4	1	3					56	4	45			6	1
PL	21	12	2	5			2	96	10	76	10			
PT	3		2	1				9	2	4	3			
RO	10			10				35			35			
SI	1	1						9	2	7				
SK	3	3						4	1	2			1	
FI	0							47	27	4			16	
SE	0							194	9	151	3		31	
0	482	177	93	183	12	7	10	3 506	691	1 935	190	182	452	56
UK	2		2					373		285			88	
0	484	177	95	183	12	7	10	3 879	691	2 220	190	182	540	56

\* Cut-off date 15/03/2022

Annex 9

TOR: Method of detection by established and estimated amounts per Member state 2021															
MS	Total	Fraudulent							Non-fraudulent						
		All	Release controls	Post-release controls	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other	All	Release controls	Post-release controls	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other
BE	87 247 113	75 935 747	3 654 801	1 331 499	69 815 074	120 000	450 378	563 994	11 311 366	7 454 611	2 160 813	170 283		943 090	582 568
BG	2 895 782	2 754 185	11 595	2 742 590	-				141 597		141 597				
CZ	3 051 061	16 336	16 336						3 034 725	88 116	2 303 072			618 738	24 798
DK	4 348 312	351 143	181 784				169 359		3 997 169	2 039 448	699 013	146 710		969 074	142 924
DE	77 064 929	4 110 039	68 376	1 249 584	2 594 621		197 457		72 954 890	3 309 638	35 971 547	795 322	16 483 916	14 933 033	1 461 434
EE	1 053 524	1 033 810	924 026		109 784				19 714		19 714				
IE	1 446 990	100 366			100 366				1 346 624	13 825	740 986	94 694	51 043	360 121	85 955
EL	12 502 920	9 995 058	8 764 217	557 101	450 462			223 279	2 507 862		56 143	2 451 719			
ES	61 776 666	18 044 071		14 327 324	2 794 772	875 346		46 629	43 732 595	6 769 907	11 261 109	2 357 517	16 179 962	7 074 625	89 475
FR	24 238 882	6 540 506	2 332 771	950 507	3 257 228				17 698 376	6 425 316	3 813 389	6 142 235		1 317 436	
HR	941 988	28 442	28 442						913 546		899 555	13 991			
IT	16 335 184	11 429 409	74 089	438 348	10 916 972				4 905 775	783 528	1 872 573	2 249 673			
CY	13 590	13 590		13 590					0						
LV	3 858 653	1 043 536	1 023 125					20 411	2 815 117	141 763	1 063 477		868 631	741 246	
LT	5 182 806	3 837 216			3 837 216				1 345 590	10 964	1 334 626				
LU	43 171	0							43 171	43 171					
HU	2 879 802	135 545		135 545					2 744 257	196 149	2 537 597	10 511			
MT	328 525	0							328 525		328 525				
NL	171 279 920	14 406 943	10 535	14 396 408					156 872 977	36 629 094	114 304 397			5 939 486	
AT	6 386 492	4 203 383	2 745 447	1 457 936					2 183 110	135 652	1 785 613			259 386	2 459
PL	12 164 061	1 194 104	714 137	52 941	359 948			67 078	10 969 958	225 544	9 608 911	1 135 503			
PT	1 831 256	698 431		658 716	39 715				1 132 825	137 563	415 071	580 191			
RO	2 832 005	608 828			608 828				2 223 177			2 223 177			
SI	840 486	565 821	565 821						274 665	27 255	247 410				
SK	870 319	37 131	37 131						833 188	706 360	65 282			61 545	
FI	12 180 822	0							12 180 822	3 697 099	74 838			8 408 885	
SE	10 241 275	0							10 241 275	227 874	8 818 718	70 071		1 124 611	
EU-27	523 836 534	157 083 641	21 152 633	38 312 090	94 884 987	995 346	817 194	921 391	366 752 893	69 062 878	200 523 978	18 441 598	33 583 551	42 751 276	2 389 613
UK	40 507 793	4 634 349		4 634 349					35 873 444		26 568 136			9 305 308	
Total	564 344 327	161 717 990	21 152 633	42 946 439	94 884 987	995 346	817 194	921 391	402 626 337	69 062 878	227 092 114	18 441 598	33 583 551	52 056 584	2 389 613

\* Cut-off date 15/03/2022



## Annex 10

TOR: Recovery rates (RR) per Member State 2021						
MS	Fraudulent			Non-fraudulent		
	Established amount, EUR	Recovered amount, EUR	RR, %	Established amount, EUR	Recovered amount, EUR	RR, %
	1	2	3=2/1	4	5	6=5/4
BE	66 763 304	10 145 817	15%	10 218 058	6 472 773	63%
BG	2 742 590	10 424	0%	141 597	24 011	17%
CZ	16 336	558	3%	3 034 725	3 034 725	100%
DK	351 143	351 143	100%	3 997 169	3 955 917	99%
DE	4 096 584	2 519 036	61%	72 954 890	71 076 577	97%
EE	0	0	0%	19 714	19 714	100%
IE	0	0	0%	1 346 624	943 661	70%
EL	1 039 642	557 101	54%	2 507 862	84 561	3%
ES	18 044 071	5 182 577	29%	43 732 595	41 439 428	95%
FR	4 782 124	2 064 730	43%	17 698 376	12 032 633	68%
HR	28 442	28 442	100%	913 546	913 546	100%
IT	3 220 509	206 956	6%	4 840 976	1 173 327	24%
CY	13 590	13 590	100%	0	0	0%
LV	203 086	203 086	100%	2 815 117	1 947 913	69%
LT	0	0	0%	1 345 590	787 814	59%
LU	0	0	0%	43 171	43 171	100%
HU	135 545	0	0%	2 744 257	492 764	18%
MT	0	0	0%	328 525	328 525	100%
NL	14 395 192	804 731	6%	156 434 042	41 812 548	27%
AT	4 203 383	1 457 936	35%	2 169 910	1 890 000	87%
PL	114 326	114 326	100%	2 979 404	2 032 079	68%
PT	698 431	39 715	6%	1 132 825	620 395	55%
RO	608 828	393 280	65%	2 223 177	1 453 486	65%
SI	565 821	3 843	1%	274 665	227 825	83%
SK	0	0	0%	833 188	833 188	100%
FI	0	0	0%	12 180 822	12 140 609	100%
SE	0	0	0%	10 241 275	9 711 557	95%
<b>EU-27</b>	<b>122 022 949</b>	<b>24 097 292</b>	<b>20%</b>	<b>357 152 098</b>	<b>215 492 747</b>	<b>60%</b>
UK	4 634 349	1 560 465	34%	35 873 444	24 672 288	69%
<b>Total</b>	<b>126 657 298</b>	<b>25 657 756</b>	<b>20%</b>	<b>393 025 542</b>	<b>240 165 035</b>	<b>61%</b>

\* Cut-off date 15/03/2022

Annex 11

TOR: Examination of write-off cases in 2021											
MS	Acceptance		Reference to Article 13.2 rejected		Additional information request (AI)		Not appropriate		Total cases*	Cases assessed twice (AI)	Total (amounts not counted twice)
	N	EUR	N	EUR	N	EUR	N	EUR	N	N	EUR
DK	-	-	4	752 659	-	-	-	-	4	3	752 659
DE	1	122 291	23	3 751 256	4	1 202 830	-	-	28	-	5 076 376
EL	-	-	4	1 333 752	-	-	-	-	4	-	1 333 752
ES	-	-	1	398 424	1	266 788	-	-	2	-	665 213
FR	1	74 288	1	103 599	-	-	-	290	2	-	178 177
HR	-	-	-	-	1	203 428	-	-	1	-	203 428
IT	5	1 323 472	6	2 167 957	4	3 497 161	-	26 340	15	1	7 014 929
LT	1	1 178 576	-	-	1	1 172 149	-	-	2	1	2 350 725
NL	7	4 061 570	7	6 051 438	-	-	-	-	14	-	10 113 008
AT	1	92 966	3	2 712 184	3	9 161 523	-	7 883	7	1	11 974 557
PL	-	-	3	443 373	-	-	-	-	3	-	443 373
PT	-	-	2	629 984	-	-	-	-	2	-	629 984
RO	1	855 750	3	1 909 300	-	-	1	102 303	5	1	2 867 353
SI	-	-	4	964 757	-	-	-	-	4	-	964 757
SK	-	-	1	676 551	-	-	-	-	1	-	676 551
SE	-	-	1	103 724	-	-	-	-	1	1	103 724
EU-27	17	7 708 912	63	21 998 958	14	15 503 879	1	136 816	95	8	45 348 565
UK	-	-	2	480 461	6	8 928 881	-	-	8	1	9 409 342
<b>TOTAL</b>	<b>17</b>	<b>7 708 912</b>	<b>65</b>	<b>22 479 419</b>	<b>20</b>	<b>24 432 760</b>	<b>1</b>	<b>136 816</b>	<b>103</b>	<b>9</b>	<b>54 757 907</b>

\* Cases assessed twice are not included

## ANNEX 12

### *Classification of cases in relation to common agricultural policy expenditure*

This Annex describes the methodology adopted for classifying irregularities concerning the common agricultural policy (CAP) in the components ‘rural development’ (RD) and ‘support to agriculture’ (SA). The methodology also covers the classification of the SA irregularities in the two sub-components ‘market measures’ (MM) and ‘direct aid to farmers’ (DA).

For each irregularity related to the common agricultural policy, the competent national authorities should provide the following information in the irregularities management system (IMS):

Fund	Budget year	Budget line	Budget post	Budget article	Budget measure
The options are EAGF, EARDF, EAGF/EARDF		e.g. B050209/08/0000007	e.g. B050209	e.g. B050209/08	e.g. B050209/08/0000007

This methodology is based on the information included in the fields ‘Fund’, ‘Budget line’ and ‘Budget post’. Budget line and budget post are IMS terminology. In the current EU budget, reference is made to chapters (corresponding to the first part of the IMS budget post above) and articles (corresponding to the IMS budget post).

Cases are classified as RD, SA, SA/RD, Blank.

#### *Irregularities classified as RD*

Irregularities are classified as RD, where they concern only expenditure on IMS budget lines/posts that contain the codes ‘B0803’, B0504’, ‘B01-4’ or ‘B01-50’<sup>141</sup>. In addition, it has been considered that there are irregularities where the field ‘Fund’ refers to the EARDF (European Agriculture Rural Development Fund), even if the budget line/post is not specified.

This choice has been made because, since 2004, in the EU budget, expenditure on rural development has been grouped under the budget chapter 0504. Under this, the budget articles B050405 (as from 2007) and B050460 (as from 2014) refer to European Agricultural Fund for Rural Development (EAFRD) funding<sup>142</sup>. In the 2021 budget, the EAFRD is under the chapter B0803.

Between 2000 and 2003, rural development was instead financed under budget chapter B01-40 (EAGGF Guarantee Section). The appropriations included in this chapter were intended to cover expenditure on two types of rural development measures: (1) accompanying measures introduced in 1992 supplemented by the less-favoured-areas scheme; and (2) modernisation and diversification schemes.

<sup>141</sup> Most of these cases have the field ‘Fund’ filled in as ‘EAFRD/EAGF’, but the Budget line or the Budget post that are explicitly mentioned lead to classify the case in this category RD. In the category RD, also cases are included where the field ‘Fund’ is filled in as ‘EAGF’ and the budget line/post includes only RD budget codes.

<sup>142</sup> Budget chapter B504 is split in the following budget titles: B050401 ‘rural development in the EAGGF – Guarantee section’ (later with the addition ‘Completion of earlier programme 2000-2006’), B050402 ‘rural development in the EAGGF – Guidance section’ (later with the addition ‘Completion of earlier programme’), B050403 ‘Other measures’, B050404 ‘Transitional instrument for the financing of rural development by the EAGGF – Guarantee section for the new MS’ (later with the addition ‘Completion of earlier programmes 2004-2006’), B050405 ‘rural development financed by EAFRD (2007-2013)’ (from 2007. As from 2014, it becomes ‘completion of ...’), B050460 ‘EAFRD (2014-2020)’ (from 2014).

Before 2000, the EU budget had no explicit reference to rural development, but budget chapter B01-50 (EAGGF Guarantee Section) covered expenditure on accompanying measures, similar to chapter B01-40 in 2000-2003.

#### *Irregularities classified as SA*

Irregularities are classified as SA, where the IMS budget line/post does not contain RD budget codes<sup>143</sup>. In addition, it has been considered that there are irregularities where the field 'Fund' refers to the European Agriculture Guarantee Fund (EAGF) and the budget line/post is not specified. For these cases, it is not clear whether this expenditure financed rural development (from the EAGGF – Guarantee Section) or SA. To find the best possible classification for these cases, the following assumption has been made. In 2007, the EARDF was created to finance all measures concerning rural development. Consequently, if the budget years associated to an irregularity are from 2007 onwards, it seems to be unlikely that this irregularity is related to rural development, so it is considered SA. If also the budget year is not mentioned, but the programming period mentioned in the relevant field is 2007-2013 or 2014-2020, the irregularity is considered SA. The other irregularities are classified as in the category 'Blank' (see below).

SA includes expenditure relating to intervention in agricultural markets and direct payments to farmers.

#### *Irregularities classified as SA/RD*

Irregularities are classified as 'SA/RD', where they concern both types of expenditure (RD and SA budget codes)<sup>144</sup>. In addition, it has been considered that there are irregularities where the field 'Fund' refers to 'EAGF/EARDF', but the budget line/post is not specified. For these cases, it is not clear whether this expenditure financed only rural development (before from the EAGGF – Guarantee Section and then from EARDF) or both rural development (EARDF) and SA (EAGF). To find the best possible classification for these cases, the following assumption has been made. In 2007, the EARDF was created to finance all measures concerning rural development. Consequently, if the budget years associate to an irregularity are from 2007 onwards only, it seems likely that there is also an SA component in the expenditure related to the irregularity (because EAGF is more likely to point to an SA item of expenditure) so the irregularity is considered 'SA/RD'. If also the budget year is not mentioned, but the programming period is 2007-2013 or 2014-2020, the irregularity is also considered 'SA/RD'. Other irregularities are classified as 'Blank'.

#### *Irregularities classified as 'Blank'*

Irregularities are classified as 'Blank', where information has not been considered enough to assign the case to RD, SA or SA/RD<sup>145</sup>.

#### *Classification as 'market measures' or 'direct payments'*

Some parts of the analysis in Section 3 'Common agricultural policy' separately focus on 'interventions in agricultural markets' (or 'market measures') and 'direct payments' (or 'direct aid').

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<sup>143</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the budget line/post includes only SA budget codes.

<sup>144</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF' and the budget line/post includes both SA and RD budget codes.

<sup>145</sup> See above.

In fact, since 2006, the EU budget provides for support to agriculture to be structured along two main budget chapters:<sup>146</sup>

- Budget chapter B0502 'interventions in agricultural markets' (B080201, B080202, B080203, for budget 2021);
- Budget chapter B0503 'direct aids' (B080204, B080205, for budget 2021).

For the purpose of the analysis in Section 3 'Common agricultural policy', cases are classified as:

- 'Market measures', where they concern expenditure on IMS budget lines/posts that contain the code '502', as from the 2006 EU budget (B080201, B080202, B080203, for budget 2021) (NB, the same case may also concern other areas, including rural development or direct payments);
- 'Direct payments', where they concern expenditure on IMS budget lines/posts which contain the code '503', as from the 2006 EU Budget (B080204, B080205, for budget 2021) (NB, the same case may also concern other areas, including RD or market measures).

Cases concerning only expenditure in 2005 (budget year) or before are not considered 'market measures' or 'direct payments'. Before 2006, the EU budget had a different structure:

- In 2004 and 2005, the budget chapters 0502 and 0503 referred respectively to 'Plant products' and 'Animal products';
- Before 2004, budget subsection B01 covered the Guarantee Section of the EAGG fund and was split, among others<sup>147</sup>, in:
  - B01-1 'Plant products';
  - B01-2 'Animal products'.

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<sup>146</sup> The other chapters of Title 05 'Agriculture and rural development' are: 0501 'Administrative expenditure', 0504 'Rural development', 0505 'SAPARD' (later 'Instrument for pre-accession assistance'), 0506 'External relations' (later 'International aspects'), 0507 'Audit', 0508 'Policy strategy and coordination', 0549 'Expenditure on administrative management' (until 2013), 0509 'Horizon 2020 – Research and innovation' (from 2014).

<sup>147</sup> B01-3 covered "Ancillary expenditure", B01-6 "Monetary reserve".

## ANNEX 13

### *Categories of irregularities and related types*

This Annex shows the types of violations in the IMS and how they are grouped in categories. These categories are used in used in Tables NR6-NR9.

In Table CP10 the following grouping is used:

- Infringements concerning the request: T11/00, T11/01, T11/99
- Eligibility / Legitimacy of expenditure/measure: T11/02
- Multiple financing: T11/03, T11/04
- Violations/breaches by the operator: T12
- Incorrect, absent, falsified accounts: T13
- Incorrect, missing, false or falsified supporting documents: T14
- Product, species and/or land: T15
- Infringement of contract provisions/rules: T16/00, T16/01, T16/02, T16/03, T16/04, T16/05, T16/06, T16/07, T16/09, T16/10, T16/99
- Movement: T17
- Bankruptcy: T18
- Ethics and integrity: T19
- Infringement of public procurement rules: T40, T41, T16/08
- State aid: T50

Code	Category	Type
T11	Request	T11/00: Incorrect or incomplete request for aid T11/01: False or falsified request for aid T11/02: Product, species, project and/or activity not eligible for aid T11/03: Incompatible cumulation of aid T11/04: Several requests for the same product, species, project and/or activity T11/99: Other
T12	Beneficiary	T12/00: Incorrect identity operator/beneficiary T12/01: Non-existent operator/beneficiary T12/02: Misdescription of the holding T12/03: Operator/beneficiary not having the required quality T12/99: Other
T13	Accounts and records	T13/00: Incomplete accounts T13/01: Incorrect accounts

		<p>T13/02: Falsified accounts</p> <p>T13/03: Accounts not presented</p> <p>T13/04: Absence of accounts</p> <p>T13/05: Calculation errors</p> <p>T13/06: Revenues not declared</p> <p>T13/99: Other</p>
T14	Documentary proof	<p>T14/00: Documents missing and/or not provided</p> <p>T14/01: Documents incomplete</p> <p>T14/02: Documents incorrect</p> <p>T14/03: Documents provided too late</p> <p>T14/04: Documents false and/or falsified</p> <p>T14/99: Other</p>
T15	Product, species and/or land	<p>T15/00: Over or under production</p> <p>T15/01: Inexact composition</p> <p>T15/02: Inexact origin</p> <p>T15/03: Inaccurate value</p> <p>T15/04: Inexact quantity</p> <p>T15/05: Variation in quality or content</p> <p>T15/06: Quantities outside permitted limits, quotas, thresholds</p> <p>T15/07: Unauthorised substitution or exchange</p> <p>T15/08: Unauthorised addition or mixture</p> <p>T15/09: Unauthorised use</p> <p>T15/10: Falsification of the product</p> <p>T15/11: Incorrect storage or handling</p> <p>T15/12: Fictitious use or processing</p> <p>T15/13: Incorrect classification (incl. incorrect tariff heading)</p> <p>T15/14: Overdeclaration and/or declaration of fictitious product, species and/or land</p> <p>T15/99: Other</p>
T16	(Non-)action	<p>T16/00: Action not implemented</p> <p>T16/01: Action not completed</p> <p>T16/02: Operation prohibited during the measure</p> <p>T16/03: Failure to respect deadlines</p> <p>T16/04: Irregular termination, sale or reduction</p>

		<p>T16/05: Absence of identification, marking, etc.</p> <p>T16/06: Refusal of control, audit, scrutiny etc.</p> <p>T16/07: Control, audit, scrutiny etc. not carried out in accordance with regulations, rules, plan etc.</p> <p>T16/08: Infringement of rules concerned with public procurement</p> <p>T16/09: Infringements with regard to the cofinancing system</p> <p>T16/10: Refusal to repay not spent or unduly paid amount</p> <p>T16/99: Other</p>
T17	Movement	<p>T17/00: Irregularities in connection with final destination (change of, non arrival at, etc.)</p> <p>T17/01: Fictitious movement</p> <p>T17/99: Other</p>
T18	Bankruptcy	<p>T18/00: Legal persons - liquidation</p> <p>T18/01: Legal persons - reorganisation to structure debt</p> <p>T18/02: Natural persons - repayment plan</p> <p>T18/03: Natural persons - repayment plan not possible</p> <p>T18/99: Other</p>
T19	Ethics and integrity	<p>T19/00: Conflict of interest</p> <p>T19/01: Bribery - passive</p> <p>T19/02: Bribery - active</p> <p>T19/03: Corruption</p> <p>T19/04: Corruption - passive</p> <p>T19/05: Corruption - active</p> <p>T19/99: Other irregularities concerning integrity and ethics</p>
T40 and T41	Public procurement	<p>T40/01: Lack of publication of contract notice</p> <p>T40/02: Artificial splitting of works/services/supplies contracts</p> <p>T40/03: Non-compliance with - time limits for receipt of tenders; or - time limits for receipt of requests to participate</p> <p style="padding-left: 40px;">T40/03A: Non-compliance with time limits for receipt of tenders</p> <p style="padding-left: 40px;">T40/03B: Non-compliance with time limits for receipt of requests to participate</p> <p>T40/04: Insufficient time for potential tenderers/candidates to obtain tender documentation</p> <p>T40/05: Lack of publication of -extended time limits for receipt of tenders; or - extended time limits for receipt of requests to participate</p> <p style="padding-left: 40px;">T40/05A: Lack of publication of extended time limits for receipt of tenders</p> <p style="padding-left: 40px;">T40/05B: Lack of publication of extended time limits for receipt of request to</p>



	<p>participate</p> <p>T40/06: Cases not justifying the use of the negotiated procedure with prior publication of a contract notice</p> <p>T40/07: For the award of contracts in the field of defence and security falling under directive 2009/81/EC specifically, inadequate justification for the lack of publication of a contract notice</p> <p>T40/08: Failure to state: - the selection criteria in the contract notice; and/or - the award criteria (and their weighting) in the contract notice or in the tender specifications</p> <p style="padding-left: 40px;">T40/08A: Failure to state the selection criteria in the contract notice</p> <p style="padding-left: 40px;">T40/08B: Failure to state the award criteria ( and their weighting) in the contract notice or in the tender specifications</p> <p>T40/09: Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents</p> <p style="padding-left: 40px;">T40/09A: Unlawful and/or discriminatory selections criteria laid down in the contract notice or tender documents</p> <p style="padding-left: 40px;">T40/09B: Unlawful and/or discriminatory award criteria laid down in the contract notice or tender documents</p> <p>T40/10: Selection criteria not related and proportionate to the subject-matter of the contract</p> <p>T40/11: Discriminatory technical specifications</p> <p>T40/12: Insufficient definition of the subject-matter of the contract</p> <p>T40/13: Modification of selection criteria after opening of tenders, resulting in incorrect acceptance of tenderers</p> <p>T40/14: Modification of selection criteria after opening of tenders, resulting in incorrect rejection of tenderers</p> <p>T40/15: Evaluation of tenderers/candidates using unlawful selection or award criteria</p> <p>T40/16: Lack of transparency and/or equal treatment during evaluation</p> <p>T40/17: Modification of a tender during evaluation</p> <p>T40/18: Negotiation during the award procedure</p> <p>T40/19: Negotiated procedure with prior publication of a contract notice with substantial modification of the conditions</p> <p>T40/20: Rejection of abnormally low tenders</p> <p>T40/21: Conflict of interest</p> <p>T40/22: Substantial modification of the contract elements set out in the contract notice or tender specifications</p> <p>T40/23: Reduction in the scope of the contract</p> <p>T40/24: Award of additional works/services/supplies contracts without competition</p> <p style="padding-left: 40px;">T40/24A: Award of additional works/services/supplies contracts (if such award</p>
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	<p>constitutes a substantial modification of the original terms of the contract) without competition in the absence of extreme urgency brought about by unforeseeable events</p> <p>T4024B: Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in the absence of an unforeseen circumstance for complementary works, services, supplies</p> <p>T40/25: Additional works or services exceeding the limit laid down in the relevant provisions</p> <p>T40/50: Unjustified direct award (i.e. unlawful negotiated procedure without prior publication of a contract notice)</p> <p>T40/51: Lack of justification for not subdividing contract into lots</p> <p>T40/52: Failure to extend time limits for receipt of tenders where significant changes are made to the procurement documents</p> <p>T40/53: Restrictions to obtain tender documentation</p> <p>T40/54: Failure to extend time limits for receipt of tenders where, for whatever reason, additional information, although requested by the economic operator in good time, is not supplied at the latest six days before the time limit fixed for the receipt of tenders.</p> <p>T40/55: Non-compliance with the procedure established in the Directive for electronic and aggregated procurement</p> <p>T40/56: Failure to describe in sufficient detail the award criteria and their weighting.</p> <p>T40/57: Failure to communicate/publish clarifications/additional information (in relation to selection/award criteria or conditions for performance of contracts or technical specifications).</p> <p>T40/58: Unjustified limitation of sub-contracting</p> <p>T40/59: Selection criteria (or technical specifications) were incorrectly applied.</p> <p>T40/60: Evaluation of tenders using award criteria that are different from the ones stated in the contract notice or tender specifications</p> <p>T40/61: Evaluation using additional award criteria that were not published</p> <p>T40/62: Insufficient audit trail for the award of the contract</p> <p>T40/63: Irregular prior involvement of candidates/tenderers towards the contracting authority</p> <p>T40/64: Bid-rigging</p> <p>T40/99: Other</p> <p>T41/01A: Lack of publication of contract notice</p> <p>T41/01B: Unjustified direct award (i.e. unlawful negotiated procedure without prior publication of a contract notice)</p> <p>T41/02: Artificial splitting of works/services/supplies contracts</p> <p>T41/03: Lack of justification for not subdividing contract into lots</p>
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		<p>T41/04A: Non-compliance with time limits for receipt of tenders</p> <p>T41/04B: Non-compliance with time limits for receipt of requests to participate</p> <p>T41/04C: Failure to extend time limits for receipt of tenders where significant changes are made to the procurement documents</p> <p>T41/05A: Insufficient time for potential tenderers/candidates to obtain tender documentation</p> <p>T41/05B: Restrictions to obtain tender documentation</p> <p>T41/06A: Lack of publication of extended time limits for receipt of tenders</p> <p>T41/06B: Failure to extend time limits for receipt of tenders</p> <p>T41/07A: Cases not justifying the use of a competitive procedure with negotiation</p> <p>T41/07B: Cases not justifying the use of a competitive dialogue</p> <p>T41/08: Non-compliance with the procedure established in the Directive for electronic and aggregated procurement</p> <p>T41/09A : Failure to publish in the contract notice the selection and/or award criteria (and their weighting)</p> <p>T41/09B : Failure to publish in the contract notice the conditions for performance of contracts or technical specifications.</p> <p>T41/09C : Failure to describe in sufficient detail the award criteria and their weighting</p> <p>T41/09D : Failure to communicate/publish clarifications/additional information.</p> <p>T41/10A : Use of criteria for exclusion, selection, award that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/10B : Use of conditions for performance of contracts that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/10C : Use of technical specifications that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/11A : Use of criteria for exclusion, selection, award that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p> <p>T41/11B : Use of conditions for performance of contracts that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p> <p>T41/11C : Use of technical specifications that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p> <p>T41/12 : Insufficient or imprecise definition of the subject-matter of the contract</p> <p>T41/13 : Unjustified limitation of subcontracting</p> <p>T41/14A: Selection criteria (or technical specifications) were modified after opening of tenders.</p> <p>T41/14B: Selection criteria (or technical specifications) were incorrectly applied.</p> <p>T41/15A: Evaluation of tenders using award criteria that are different from the ones stated in the contract notice or tender specifications</p>
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		<p>T41/15B: Evaluation using additional award criteria that were not published</p> <p>T41/16: Insufficient audit trail for the award of the contract</p> <p>T41/17A: Negotiation during award procedure</p> <p>T41/17B: Modification of the winning tender during evaluation</p> <p>T41/18: Irregular prior involvement of candidates/tenderers towards the contracting authority</p> <p>T41/19: Competitive procedure with negotiation, with substantial modification of the conditions set out in the contract notice or tender specifications</p> <p>T41/20: Unjustified rejection of abnormally low tenders</p> <p>T41/21: Conflict of interest</p> <p>T41/22: Bid-rigging</p> <p>T41/23A: Modification of the contract elements set out in the contract notice, not in compliance with the directives</p> <p>T41/23B: Modification of the contract elements set out in the tender specifications, not in compliance with the directives</p> <p>T41/70: For the award of contracts in the field of defence and security falling under directive 2009/81/EC specifically, inadequate justification for the lack of publication of a contract notice</p> <p>T41/71: Lack of transparency and/or equal treatment during evaluation</p> <p>T41/72: Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in the absence of the applicable conditions (extreme urgency brought about by unforeseeable events; an unforeseen circumstance for complementary works, services, supplies)</p> <p>T41/73: Additional works or services exceeding the limit laid down in the relevant provisions</p> <p>T41/99: Other</p>
T50	State aid	<p>T50/01: Failure to notify State Aid</p> <p>T50/02: Wrong aid scheme applied</p> <p>T50/03: Misapplication of the aid scheme</p> <p>T50/04: Monitoring requirements not fulfilled</p> <p>T50/05: Reference investment not taken into account in the applicable aid scheme</p> <p>T50/06: No consideration of revenue in the applicable aid scheme</p> <p>T50/07: No respect of the incentive effect of the aid</p> <p>T50/08: Aid intensity not respected</p> <p>T50/09: De Minimis threshold exceeded</p> <p>T50/99: Other State aid</p>
T90	Other	T90/99: Other irregularities

## ANNEX 14

### On the analysis by intervention fields

EU expenditure is targeted to specific intervention fields, which change depending on the programming period. In IMS, the reporting authorities are requested to specify the intervention fields affected by the irregularities they communicate.

For the cohesion policy, Annex 14.1 shows the intervention fields related to the programming period 2007-2013. Annex 14.2 shows the intervention fields related to the programming period 2014-2020.<sup>148</sup>

For the purpose of this analysis, the intervention fields have been grouped along these areas:

- Strengthening research, technological development and innovation;
- Enhancing accessibility to and use and quality of information and communication technologies (digital transition);
- Supporting the shift towards a low-carbon economy in all sectors (green transition);
- Promoting climate change adaptation, risk prevention and management (green transition);
- Preserving and protection the environment and promoting resource efficiency (green transition);
- Promoting sustainable transport and removing bottlenecks in key network infrastructures;
- Promoting sustainable and quality employment and supporting labour mobility;
- Promoting social inclusion, combating poverty and any discrimination;
- Investment in education, training and vocational training for skills and lifelong learning;
- Enhancing competitiveness of enterprises
- Culture and tourism;
- Technical assistance;
- Outermost regions.

For most of these areas, a number of sub-areas have been defined. They are shown in Annex 14.3.

Annex 14.4 shows the association of these intervention fields to each area and sub-area, both for the intervention fields of PP 2014-2020 and those of PP 2007-2013.

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<sup>148</sup> The intervention fields for the PP 2007-2013 are listed in the Commission Regulation (EC) 1828/2006. The intervention fields for the PP 2014-2020 are listed in the Commission Implementing Regulations (EU) 184/2014.

## Annex 14.1

Code	Description
COH-TH01	R&TD activities in research centres
COH-TH02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
COH-TH03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
COH-TH04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
COH-TH05	Advanced support services for firms and groups of firms
COH-TH06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production)
COH-TH07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
COH-TH08	Other investment in firms
COH-TH09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
COH-TH10	Telephone infrastructures (including broadband networks)
COH-TH11	Information and communication technologies (access, security, interoperability, risk-prevention,
COH-TH12	Information and communication technologies (TEN-ICT)
COH-TH13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)
COH-TH14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
COH-TH15	Other measures for improving access to and efficient use of ICT by SMEs
COH-TH16	Railways
COH-TH17	Railways (TEN-T)
COH-TH18	Mobile rail assets
COH-TH19	Mobile rail assets (TEN-T)
COH-TH20	Motorways
COH-TH21	Motorways (TEN-T)
COH-TH22	National roads
COH-TH23	Regional/local roads
COH-TH24	Cycle tracks
COH-TH25	Urban transport
COH-TH26	Multimodal transport
COH-TH27	Multimodal transport (TEN-T)
COH-TH28	Intelligent transport systems
COH-TH29	Airports
COH-TH30	Ports
COH-TH31	Inland waterways (regional and local)
COH-TH32	Inland waterways (TEN-T)
COH-TH33	Electricity
COH-TH34	Electricity (TEN-E)
COH-TH35	Natural gas
COH-TH36	Natural gas (TEN-E)
COH-TH37	Petroleum products
COH-TH38	Petroleum products (TEN-E)
COH-TH39	Renewable energy: wind
COH-TH40	Renewable energy: solar
COH-TH41	Renewable energy: biomass
COH-TH42	Renewable energy: hydroelectric, geothermal and other
COH-TH43	Energy efficiency, co-generation, energy management
COH-TH44	Management of household and industrial waste
COH-TH45	Management and distribution of water (drinking water)
COH-TH46	Water treatment (waste water)

COH-TH47	Air quality
COH-TH48	Integrated prevention and pollution control
COH-TH49	Mitigation and adaptation to climate change
COH-TH50	Rehabilitation of industrial sites and contaminated land
COH-TH51	Promotion of biodiversity and nature protection (including Natura 2000)
COH-TH52	Promotion of clean urban transport
COH-TH53	Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)
COH-TH54	Other measures to preserve the environment and prevent risks
COH-TH55	Promotion of natural assets
COH-TH56	Protection and development of natural heritage
COH-TH57	Other assistance to improve tourist services
COH-TH58	Protection and preservation of the cultural heritage
COH-TH59	Development of cultural infrastructure
COH-TH60	Other assistance to improve cultural services
COH-TH61	Integrated projects for urban and rural regeneration
COH-TH62	Development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change; promoting entrepreneurship and innovation
COH-TH63	Design and dissemination of innovative and more productive ways of organising work
COH-TH64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills
COH-TH65	Modernisation and strengthening labour market institutions
COH-TH66	Implementing active and preventive measures on the labour market
COH-TH67	Measures encouraging active ageing and prolonging working lives
COH-TH68	Support for self-employment and business start-up
COH-TH69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons
COH-TH70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration
COH-TH71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace
COH-TH72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge based economy
COH-TH73	Measures to increase participation in education and training throughout the lifecycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training
COH-TH74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses
COH-TH75	Education infrastructure
COH-TH76	Health infrastructure
COH-TH77	Childcare infrastructure
COH-TH78	Housing infrastructure
COH-TH79	Other social infrastructure
COH-TH80	Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders
COH-TH81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes.
COH-TH82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
COH-TH83	Specific action addressed to compensate additional costs due to size market factors
COH-TH84	Support to compensate additional costs due to climate conditions and relief difficulties
COH-TH85	Preparation, implementation, monitoring and inspection
COH-TH86	Evaluation and studies; information and communication

## Annex 14.2

Code	Description
I.001	Generic productive investment in small and medium – sized enterprises ('SMEs')
I.002	Research and innovation processes in large enterprises
I.003	Productive investment in large enterprises linked to the low-carbon economy
I.004	Productive investment linked to the cooperation between large enterprises and SMEs for developing information and communication technology ('ICT') products and services, e-commerce and enhancing demand for ICT
II.005	Electricity (storage and transmission)
II.006	Electricity (TEN-E storage and transmission)
II.007	Natural gas
II.008	Natural gas (TEN-E)
II.009	Renewable energy: wind
II.010	Renewable energy: solar
II.011	Renewable energy: biomass
II.012	Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (including storage, power to gas and renewable hydrogen infrastructure)
II.013	Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures
II.014	Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures
II.015	Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems)
II.016	High efficiency co-generation and district heating
II.017	Household waste management, (including minimisation, sorting, recycling measures)
II.018	Household waste management, (including mechanical biological treatment, thermal treatment, incineration and landfill measures)
II.019	Commercial, industrial or hazardous waste management
II.020	Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure)
II.021	Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)
II.022	Waste water treatment
II.023	Environmental measures aimed at reducing and/or avoiding greenhouse gas emissions (including treatment and storage of methane gas and composting)
II.024	Railways (TEN-T Core)
II.025	Railways (TEN-T comprehensive)
II.026	Other Railways
II.027	Mobile rail assets
II.028	TEN-T motorways and roads — core network (new build)
II.029	TEN-T motorways and roads — comprehensive network (new build)
II.030	Secondary road links to TEN-T road network and nodes (new build)
II.031	Other national and regional roads (new build)
II.032	Local access roads (new build)
II.033	TEN-T reconstructed or improved road
II.034	Other reconstructed or improved road (motorway, national, regional or local)
II.035	Multimodal transport (TEN-T)
II.036	Multimodal transport
II.037	Airports (TEN-T) (1)
II.038	Other airports (1)
II.039	Seaports (TEN-T)
II.040	Other seaports
II.041	Inland waterways and ports (TEN-T)
II.042	Inland waterways and ports (regional and local)
II.043	Clean urban transport infrastructure and promotion (including equipment and rolling stock)
II.044	Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring, control and information systems)
II.045	ICT: Backbone/backhaul network
II.046	ICT: High-speed broadband network (access/local loop; >= 30 Mbps)
II.047	ICT: Very high-speed broadband network (access/local loop; >= 100 Mbps)
II.048	ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)
III.049	Education infrastructure for tertiary education
III.050	Education infrastructure for vocational education and training and adult learning
III.051	Education infrastructure for school education (primary and general secondary education)
III.052	Infrastructure for early childhood education and care
III.053	Health infrastructure
III.054	Housing infrastructure
III.055	Other social infrastructure contributing to regional and local development
IV.056	Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities
IV.057	Investment in infrastructure, capacities and equipment in large companies directly linked to research and innovation activities
IV.058	Research and innovation infrastructure (public)
IV.059	Research and innovation infrastructure (private, including science parks)
IV.060	Research and innovation activities in public research centres and centres of competence including networking
IV.061	Research and innovation activities in private research centres including networking
IV.062	Technology transfer and university-enterprise cooperation primarily benefiting SMEs



IV.063	Cluster support and business networks primarily benefiting SMEs
IV.064	Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)
IV.065	Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change
IV.066	Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)
IV.067	SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)
IV.068	Energy efficiency and demonstration projects in SMEs and supporting measures
IV.069	Support to environmentally-friendly production processes and resource efficiency in SMEs
IV.070	Promotion of energy efficiency in large enterprises
IV.071	Development and promotion of enterprises specialised in providing services contributing to the low carbon economy and to resilience to climate change (including support to such services)
IV.072	Business infrastructure for SMEs (including industrial parks and sites)
IV.073	Support to social enterprises (SMEs)
IV.074	Development and promotion of tourism assets in SMEs
IV.075	Development and promotion of tourism services in or for SMEs
IV.076	Development and promotion of cultural and creative assets in SMEs
IV.077	Development and promotion of cultural and creative services in or for SMEs
IV.078	e-Government services and applications (including e-Procurement, ICT measures supporting the reform of public administration, cyber-security, trust and privacy measures, e-Justice and e-Democracy)
IV.079	Access to public sector information (including open data e-Culture, digital libraries, e-Content and e-Tourism)
IV.080	e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy
IV.081	ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)
IV.082	ICT Services and applications for SMEs (including e-Commerce, e-Business and networked business processes), living labs, web entrepreneurs and ICT start-ups)
IV.083	Air quality measures
IV.084	Integrated pollution prevention and control (IPPC)
IV.085	Protection and enhancement of biodiversity, nature protection and green infrastructure
IV.086	Protection, restoration and sustainable use of Natura 2000 sites
IV.087	Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures
IV.088	Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures
IV.089	Rehabilitation of industrial sites and contaminated land
IV.090	Cycle tracks and footpaths
IV.091	Development and promotion of the tourism potential of natural areas
IV.092	Protection, development and promotion of public tourism assets
IV.093	Development and promotion of public tourism services
IV.094	Protection, development and promotion of public cultural and heritage assets
IV.095	Development and promotion of public cultural and heritage services
IV.096	Institutional capacity of public administrations and public services related to implementation of the ERDF or actions supporting ESF institutional capacity initiatives
IV.097	Community-led local development initiatives in urban and rural areas
IV.098	Outermost regions: compensation of any additional costs due to accessibility deficit and territorial fragmentation
IV.099	Outermost regions: specific action to compensate additional costs due to size market factors
IV.100	Outermost regions: support to compensate additional costs due to climate conditions and relief difficulties
IV.101	Cross-financing under the ERDF (support to ESF-type actions necessary for the satisfactory implementation of the ERDF part of the operation and directly linked to it)
V.102	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility
V.103	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
V.104	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises
V.105	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
V.106	Adaptation of workers, enterprises and entrepreneurs to change
V.107	Active and healthy ageing
V.108	Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders
VI.109	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
VI.110	Socio-economic integration of marginalised communities such as the Roma
VI.111	Combating all forms of discrimination and promoting equal opportunities
VI.112	Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
VI.113	Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment
VI.114	Community-led local development strategies
VII.115	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training
VII.116	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups
VII.117	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
VII.118	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes
VIII.119	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
VIII.120	Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels
IX.121	Preparation, implementation, monitoring and inspection
IX.122	Evaluation and studies
IX.123	Information and communication

### Annex 14.3

Area	Sub-areas
Strengthening research, technological development and innovation	Activities in research centres
	RTDI infrastructure
	Assistance to RTDI activities in firms
	Techno transfer
	Human potential

Area	Sub-areas
Enhancing accessibility to and use and quality of information and communication technologies	Infrastructure
	Services for citizens
	Services to SMEs
	Investment for cooperation

Area	Sub-areas
Supporting the shift towards a low-carbon economy in all sectors	Renewable energy: wind
	Renewable energy: solar
	Renewable energy: biomass
	Other renewable
	Energy efficiency
	Urban transport
	Tracks
	Support low carbon economy
Preserving and protecting the environment and promoting resource efficiency	Assistance for envi-friendly prod
	Greenhouse emissions
	Air quality
	Pollution
	Waste
	Water
	Water treatment
	Rehabilitation
	Biodiversity/Nature
Natural assets	
Promoting climate change adaptation, risk prevention and management	Climate change
	Risk prevention

Area	Sub-areas
Promoting sustainable transport and removing bottlenecks in key network infrastructures	Railways
	Railways TEN-T
	Mobile rail assets
	Roads
	Motorways
	TEN-T motorways and roads
	Multimodal
	Multimodal TEN-T
	Airports
	Airports TEN-T
	Seaports
	Seaports TEN-T
	Inland waterways and ports
	Inland waterways and ports TEN-T
	Intelligence transport
	Electricity
	Electricity TEN-E
	Natural gas
	Natural gas TEN-E
Petroleum	
Petroleum TEN-E	

Area	Sub-areas
Promoting sustainable and quality employment and supporting labour mobility	Adaptation to change
	Labour market
	Access to employment
	Self-employment
	Ageing

Area	Sub-areas
Promoting social inclusion, combating poverty and any discrimination	Discrimination
	Active inclusion
	Marginalised communities
	Health infrastructure
	Childcare infrastructure
	Housing infrastructure
	Other social infrastructure
	Access to services
	Social enterprises
	Development/regeneration
	Other

Area	Sub-areas
Enhancing competitiveness of enterprises	Services to firms
	Investment in firms

Area	Sub-areas
Culture and tourism	Culture
	Tourism

## Annex 14.4

Area	Intervention field	Sub-areas		Intervention field	
Strengthening research, technological development and innovation	IV.060	Research and innovation activities in public research centres and centres of competence including networking	Activities in research centres	COH-TH01	R&TD activities in research centres
	IV.061	Research and innovation activities in private research centres including networking	Activities in research centres		
	IV.058	Research and innovation infrastructure (public)	RTDI infrastructure	COH-TH02	R&TD infrastructure and centres of competence in a specific technology
	IV.059	Research and innovation infrastructure (private, including science parks)	RTDI infrastructure		
	IV.062	Technology transfer and university-enterprise cooperation primarily benefiting SMEs	Techno transfer	COH-TH03	Technology transfer and improvement of cooperation networks ...
	IV.063	Cluster support and business networks primarily benefiting SMEs	Techno transfer		
	IV.054	Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)	Assistance to RTDI activities in firms	COH-TH04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
			Assistance to RTDI activities in firms	COH-TH09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
	IV.056	Investment in infrastructure, capacities and equipment in SMEs directly linked to research and innovation activities	Assistance to RTDI activities in firms	COH-TH07	Investment in firms directly linked to research and innovation (...)
	IV.057	Investment in infrastructure, capacities and equipment in large companies directly linked to research and innovation activities	Assistance to RTDI activities in firms		
	I.002	Research and innovation processes in large enterprises	Assistance to RTDI activities in firms		
		Human potential	COH-TH74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses	
Enhancing accessibility to and use and quality of information and communication technologies	II.045	ICT: Backbone/backhaul network	Infrastructure	COH-TH10	Telephone infrastructures (including broadband networks)
	II.046	ICT: High-speed broadband network (access/local loop; >/= 30 Mbps)	Infrastructure		
	II.047	ICT: Very high-speed broadband network (access/local loop; >/= 100 Mbps)	Infrastructure		
	II.048	ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)	Infrastructure	COH-TH11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
			Infrastructure	COH-TH12	Information and communication technologies (TEN-ICT)
	IV.078	e-Government services and applications (including e-Procurement, ICT measures supporting the reform of public administration, cyber-security, trust and privacy measures, e-Justice and e-Democracy)	Services for citizens	COH-TH13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)
	IV.079	Access to public sector information (including open data e-Culture, digital libraries, e-Content and e-Tourism)	Services for citizens		
	IV.080	e-Inclusion, e-Accessibility, e-Learning and e-Education services and applications, digital literacy	Services for citizens		
	IV.081	ICT solutions addressing the healthy active ageing challenge and e-Health services and applications (including e-Care and ambient assisted living)	Services for citizens		
	IV.082	ICT Services and applications for SMEs (including e-Commerce, e-Business and networked business processes), living labs, web entrepreneurs and ICT start-ups	Services to SMEs	COH-TH14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
			Services to SMEs	COH-TH15	Other measures for improving access to and efficient use of ICT by SMEs
I.004	Productive investment linked to the cooperation between large enterprises and SMEs for developing information and communication technology('ICT') products and services, e-commerce and enhancing demand for ICT	Investment for cooperation			

Supporting the shift towards a low-carbon economy in all sectors	II.009	Renewable energy: wind	Renewable energy: wind	COH-TH39	Renewable energy: wind
	II.010	Renewable energy: solar	Renewable energy: solar	COH-TH40	Renewable energy: solar
	II.011	Renewable energy: biomass	Renewable energy: biomass	COH-TH41	Renewable energy: biomass
	II.012	Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (including storage, power to gas and renewable hydrogen infrastructure)	Other renewable	COH-TH42	Renewable energy: hydroelectric, geothermal and other
	II.013	Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	Energy efficiency	COH-TH43	Energy efficiency, co-generation, energy management
	II.014	Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	Energy efficiency		
	II.015	Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems)	Energy efficiency		
	II.016	High efficiency co-generation and district heating	Energy efficiency		
	IV.068	Energy efficiency and demonstration projects in SMEs and supporting measures	Energy efficiency		
	IV.070	Promotion of energy efficiency in large enterprises	Energy efficiency		
	II.043	Clean urban transport infrastructure and promotion (including equipment and rolling stock)	Urban transport	COH-TH52	Promotion of clean urban transport
			Urban transport	COH-TH25	Urban transport
	IV.090	Cycle tracks and footpaths	Tracks	COH-TH24	Cycle tracks
	IV.065	Research and innovation processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and to resilience to climate change	Support low carbon economy		
IV.071	Development and promotion of enterprises specialised in providing services contributing to the low carbon economy and to resilience to climate change (including support to such services)	Support low carbon economy			
I.003	Productive investment in large enterprises linked to the low-carbon economy	Support low carbon economy			
Promoting climate change adaptation, risk prevention and management	IV.087	Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	Climate change	COH-TH49	Mitigation and adaptation to climate change
	IV.088	Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	Risk prevention	COH-TH53	Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)
				COH-TH54	Other measures to preserve the environment and prevent risks
Preserving and protecting the environment and promoting resource efficiency	II.023	Environmental measures aimed at reducing and / or avoiding greenhouse gas emissions (including treatment and storage of methane gas and composting)	Greenhouse gas		
	IV.069	Support to environmentally-friendly production processes and resource efficiency in SMEs	Assistance for envi-friendly prod	COH-TH06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)
	IV.083	Air quality measures	Air quality	COH-TH47	Air quality
	IV.084	Integrated pollution prevention and control (IPPC)	Pollution	COH-TH48	Integrated prevention and pollution control
	II.017	Household waste management, (including minimisation, sorting, recycling measures)	Waste	COH-TH44	Management of household and industrial waste
	II.018	Household waste management, (including mechanical biological treatment, thermal treatment, incineration and landfill measures)	Waste		
	II.019	Commercial, industrial or hazardous waste management	Waste		
	II.020	Provision of water for human consumption (extraction, treatment, storage and distribution infrastructure)	Water	COH-TH45	Management and distribution of water (drink water)
	II.021	Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	Water		
	II.022	Waste water treatment	Water treatment	COH-TH46	Water treatment (waste water)
	IV.089	Rehabilitation of industrial sites and contaminated land	Rehabilitation	COH-TH50	Rehabilitation of industrial sites and contaminated land
	IV.085	Protection and enhancement of biodiversity, nature protection and green infrastructure	Biodiversity/Nature	COH-TH51	Promotion of biodiversity and nature protection (including Natura 2000)
	IV.086	Protection, restoration and sustainable use of Natura 2000 sites	Biodiversity/Nature		
	IV.091	Development and promotion of the tourism potential of natural areas	Natural assets	COH-TH55	Promotion of natural assets
			Natural assets	COH-TH56	Protection and development of natural heritage

Promoting sustainable transport and removing bottlenecks in key network infrastructures	ii.026	Other Railways	Railways no TEN	COH-TH16	Railways
	ii.024	Railways (TEN-T Core)	Railways TEN-T	COH-TH17	Railways (TEN-T)
	ii.025	Railways (TEN-T comprehensive)	Railways TEN-T	COH-TH18	Mobile rail assets
	ii.027	Mobile rail assets	Mobile rail assets? / Mobile rail assets no TEN	COH-TH19	Mobile rail assets (TEN-T)
			Mobile rail assets?/Mobile rail assets TEN-T		
	ii.031	Other national and regional roads (new build)	Roads no TEN/Motorways no TEN	COH-TH20	Motorways
			Roads no TEN	COH-TH22	National roads
	ii.028	TEN-T motorways and roads — core network (new build)	TEN-T motorways and roads	COH-TH21	Motorways (TEN-T)
	ii.029	TEN-T motorways and roads — comprehensive network (new build)	TEN-T motorways and roads		
	ii.033	TEN-T reconstructed or improved road	TEN-T motorways and roads		
	ii.030	Secondary road links to TEN-T road network and nodes (new build)	Roads no TEN	COH-TH22	National roads
	ii.032	Local access roads (new build)	Roads no TEN	COH-TH23	Regional/local roads
	ii.034	Other reconstructed or improved road (motorway, national, regional or local)	Motorways and road no TEN/Roads no TEN		
	ii.036	Multimodal transport	Multimodal no TEN	COH-TH26	Multimodal transport
	ii.035	Multimodal transport (TEN-T)	Multimodal TEN-T	COH-TH27	Multimodal transport (TEN-T)
	ii.037	Airports (TEN-T)	Airports TEN-T/Airports?	COH-TH29	Airports
	ii.038	Other airports1	Airports no TEN / Airports?		
	ii.039	Seaports (TEN-T)	Seaports TEN-T/Seaports?	COH-TH30	Ports
	ii.040	Other seaports	Seaports no TEN / Seaports?		
	ii.042	Inland waterways and ports (regional and local)	Inland waterways and ports no TEN	COH-TH31	Inland waterways (regional and local)
	ii.041	Inland waterways and ports (TEN-T)	Inland waterways and ports TEN-T	COH-TH32	Inland waterways (TEN-T)
	ii.044	Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	Intelligence transport	COH-TH28	Intelligent transport systems
	ii.005	Electricity (storage and transmission)	Electricity no TEN	COH-TH33	Electricity
	ii.006	Electricity (TEN-E storage and transmission)	Electricity TEN-E	COH-TH34	Electricity (TEN-E)
	ii.007	Natural gas	Natural gas no TEN	COH-TH35	Natural gas
	ii.008	Natural gas (TEN-E)	Natural gas TEN-E	COH-TH36	Natural gas (TEN-E)
			Petroleum	COH-TH37	Petroleum products
			Petroleum	COH-TH38	Petroleum products (TEN-E)

Promoting sustainable and quality employment and supporting labour mobility	IV.106	Adaptation of workers, enterprises and entrepreneurs to change	Adaptation to change	COH-TH63	Design and dissemination of innovative and more productive ways of organising work
			Adaptation to change	COH-TH64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills
			Adaptation to change	COH-TH62	Development of special services for employment, training and support in connection with restructuring of sectors ...
	IV.117	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	Adaptation to change		
	IV.108	Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders	Labour market	COH-TH65	Modernisation and strengthening labour market institutions
	IV.102	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	Access to employment	COH-TH66	Implementing active and preventive measures on the labour market
	IV.103	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	Access to employment		
	IV.118	Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	Access to employment	COH-TH72	Design, introduction and implementing of reforms in education and training systems ...
	IV.105	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	Access to employment	COH-TH69	Measures to improve access to employment and increase sustainable participation and progress of women ...
	IV.107	Active and healthy ageing	Ageing	COH-TH67	Measures encouraging active ageing and prolonging working lives
IV.104	Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	Self-employment	COH-TH68	Support for self-employment and business start-up	

Promoting social inclusion, combating poverty and any discrimination	IV.111	Combating all forms of discrimination and promoting equal opportunities	Discrimination	COH-TH70	Specific action to increase migrants' participation in employment ...
	IV.109	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Active inclusion	COH-TH71	Pathways to integration and re-entry into employment for disadvantaged people ...
	III.053	Health infrastructure	Health infrastructure	COH-TH76	Health infrastructure
	III.052	Infrastructure for early childhood education and care	Childcare infrastructure	COH-TH77	Childcare infrastructure
	III.054	Housing infrastructure	Housing infrastructure	COH-TH78	Housing infrastructure
	III.055	Other social infrastructure contributing to regional and local development	Social infrastructure	COH-TH79	Other social infrastructure
	IV.073	Support to social enterprises (SMEs)	Social enterprises		
	IV.113	Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment	Social enterprises		
	IV.110	Socio-economic integration of marginalised communities such as the Roma	Marginalised communities		
	IV.112	Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	Access to services		
	IV.097	Community-led local development initiatives in urban and rural areas	Development/regeneration		
		Development/regeneration	COH-TH61		
IV.114	Community-led local development strategies	Development/regeneration			
IV.101	Cross-financing under the ERDF (support to ESF-type actions necessary for the satisfactory implementation of the ERDF part of the operation and directly linked to it)	Other			
Investment in education, training and vocational training for skills and lifelong learning	IV.115	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	Education	COH-TH73	Measures to increase participation in education and training throughout the life-cycle ...
	IV.116	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	Education		
	III.049	Education infrastructure for tertiary education	Education		Education infrastructure
	III.050	Education infrastructure for vocational education and training and adult learning	Education	COH-TH75	
	III.051	Education infrastructure for school education (primary and general secondary education)	Education		



Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	IV.120	Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels	Institutional capacity	COH-TH80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders
	IV.119	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	Institutional capacity	COH-TH81	Mechanisms for improving good policy and programme design, monitoring and evaluation ...
	IV.096	Institutional capacity of public administrations and public services related to implementation of the ERDF or actions supporting ESF institutional capacity initiatives	Institutional capacity		
Technical Assistance	IV.121	Preparation, implementation, monitoring and inspection	Technical assistance	COH-TH85	Preparation, implementation, monitoring and inspection
	IV.122	Evaluation and studies	Technical assistance	COH-TH85	Preparation, implementation, monitoring and inspection
	IV.123	Information and communication	Technical assistance	COH-TH86	Evaluation and studies; information and communication
Outermost Regions	IV.098	Outermost regions: compensation of any additional costs due to accessibility deficit and territorial fragmentation	Outermost regions	COH-TH82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
	IV.099	Outermost regions: specific action to compensate additional costs due to size market factors	Outermost regions	COH-TH83	Specific action addressed to compensate additional costs due to size market factors
	IV.100	Outermost regions: support to compensate additional costs due to climate conditions and relief difficulties	Outermost regions	COH-TH84	Support to compensate additional costs due to climate conditions and relief difficulties
Enhancing competitiveness of enterprises	IV.066	Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	Services to firms	COH-TH05	Advanced support services for firms and groups of firms
	IV.067	SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	Services to firms		
	I.001	Generic productive investment in small and medium –sized enterprises ('SMEs')	Investment in firms	COH-TH08	Other investment in firms
	IV.072	Business infrastructure for SMEs (including industrial parks and sites)	Investment in firms		
Culture and tourism	IV.094	Protection, development and promotion of public cultural and heritage assets	Culture	COH-TH59	Development of cultural infrastructure
	IV.076	Development and promotion of cultural and creative assets in SMEs	Culture	COH-TH58	Protection and preservation of the cultural heritage
	IV.095	Development and promotion of public cultural and heritage services	Culture	COH-TH60	Other assistance to improve cultural services
	IV.077	Development and promotion of cultural and creative services in or for SMEs	Culture		
	IV.093	Development and promotion of public tourism services	Tourism	COH-TH57	Other assistance to improve tourist services
	IV.075	Development and promotion of tourism services in or for SMEs	Tourism		
	IV.074	Development and promotion of tourism assets in SMEs	Tourism		
IV.092	Protection, development and promotion of public tourism assets	Tourism			

## ANNEX 15

### Abbreviations

SA: Support to agriculture

RD: Rural development

SA/RD: Support to agriculture/ rural development

GUID: European Agricultural Guarantee and Guidance Fund – Section Guidance

EFF: European Fisheries Fund

EMFF: European Maritime and Fisheries Fund

CF: Cohesion Fund

ERDF: European Regional Development Fund

ESF: European Social Fund

AMIF: Asylum, Migration and Integration Fund

YEI: Youth Employment Initiative

HRD: pre-accession, Human Resources Development component

IPARD: Instrument for Pre-Accession Assistance in Rural Development

PHARE: Pre-accession assistance programme

REGD: pre-accession, Regional Development component

TAIB: Transition Assistance and Institution Building

TIPAA: Turkey Instrument for Pre-accession Assistance

CBC: pre-accession, Cross-Border Cooperation component

**Annex to the Statistical Evaluation -Irregularities reported by Member States and Beneficiary Countries in 2021**

*The number of irregularities reported measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures should not be interpreted as indicating the level of fraud in the Countries' territories.*

COUNTRIES	FUNDS/TYPE OF EXPENDITURE																		
	SA	RD	SA/RD or unclear	EFF	EMFF	CF	ERDF	ESF	AMIF	FEAD	ISF	YEI	CBC-IPA	IPARD	REGD	TAIB	CBC-ENI	PHARE	
AT	5	1	0	0	0	0	10	3	0	0	0	0	0	0	0	0	0	0	0
BE	7	19	0	0	0	0	6	4	0	0	0	1	0	0	0	0	0	0	0
BG	16	182	0	4	8	13	63	23	0	2	0	0	3	0	0	0	0	0	0
CY	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
CZ	9	52	0	0	0	23	240	45	0	0	1	0	0	0	0	0	0	0	0
DE	25	43	0	0	1	0	82	21	1	3	0	0	0	0	0	0	0	0	0
DK	5	28	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
EE	0	30	0	0	1	7	71	6	0	0	4	0	0	0	0	0	0	1	0
ES	169	281	0	0	2	0	16	15	2	0	0	1	0	0	0	0	0	0	0
FI	1	8	1	0	1	0	3	3	0	0	0	0	0	0	0	0	0	0	0
FR	62	111	0	0	6	0	63	18	0	7	0	3	0	0	0	0	0	0	0
GR	351	205	0	0	1	5	13	14	0	5	0	1	0	0	0	0	0	0	0
HR	7	44	0	0	10	1	3	1	0	0	0	0	0	1	0	0	0	0	0
HU	9	241	0	2	4	11	165	58	0	0	0	0	0	0	0	0	0	0	0
IE	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
IT	172	119	20	3	1	0	64	19	0	0	0	0	0	0	0	0	0	0	0
LT	13	71	3	0	1	11	27	5	0	0	0	1	0	0	0	0	0	0	0
LU	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
LV	3	24	0	0	1	4	37	3	0	0	0	0	0	0	0	0	0	0	0
MT	0	4	0	0	0	2	0	1	2	0	1	0	0	0	0	0	0	0	0
NL	16	3	0	0	0	0	7	2	0	0	0	0	0	0	0	0	0	0	0
PL	82	297	0	3	3	25	448	196	0	2	0	0	0	0	0	0	0	0	0
PT	25	384	2	0	19	5	24	36	0	0	0	0	0	0	0	0	0	0	0
RO	126	365	0	1	4	21	134	102	0	5	0	0	1	0	0	0	1	1	1
SE	5	6	1	0	0	0	6	3	1	0	2	0	0	0	0	0	0	0	0
SI	3	11	0	0	0	0	10	3	0	0	0	0	0	0	0	0	0	0	0
SK	2	15	21	3	1	31	127	41	0	0	0	0	0	0	0	0	0	0	0
UK	15	89	0	0	0	0	185	160	0	0	0	0	0	0	0	0	0	0	0
AL	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	4	0	0	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	1	5	0	0	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	9	2	8	0	0	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	8	3	0	2	0	0	0
TR	0	0	0	0	0	0	0	0	0	0	0	0	0	53	4	9	0	0	0
<b>TOTAL</b>	<b>1,128</b>	<b>2,633</b>	<b>48</b>	<b>16</b>	<b>64</b>	<b>159</b>	<b>1,808</b>	<b>784</b>	<b>6</b>	<b>24</b>	<b>8</b>	<b>7</b>	<b>13</b>	<b>72</b>	<b>6</b>	<b>23</b>	<b>2</b>	<b>1</b>	<b>1</b>

**Annex to the Statistical Evaluation - Irregular amounts related to irregularities reported by Member States and Beneficiary Countries in 2021**

COUNTRIES	FUNDS/TYPE OF EXPENDITURE																	
	SA	RD	SA/RD or unclear	EFF	EMFF	CF	ERDF	ESF	AMIF	FEAD	ISF	YEI	CBC-IPA	IPARD	REGD	TAIB	CBC-ENI	PHARE
AT	1,183,097	61,395	0	0	0	0	424,499	69,347	0	0	0	0	0	0	0	0	0	0
BE	233,108	462,953	0	0	0	0	359,962	44,583	0	0	0	25,220	0	0	0	0	0	0
BG	309,549	14,834,041	0	104,137	1,417,725	11,592,173	14,082,182	1,403,156	0	39,746	0	0	88,784	0	0	0	0	0
CY	0	0	0	0	0	0	503	30,335	0	0	0	0	0	0	0	0	0	0
CZ	263,555	802,661	0	0	0	6,376,898	26,720,850	2,146,814	0	0	19,050	0	0	0	0	0	0	0
DE	953,889	825,607	0	0	27,091	0	6,621,505	1,622,034	36,769	351,778	0	0	0	0	0	0	0	0
DK	70,816	3,211,504	0	0	0	0	136,080	0	0	0	0	0	0	0	0	0	0	0
EE	0	4,187,969	0	0	339,992	655,755	8,767,104	353,945	0	0	172,860	0	0	0	0	0	35,527	0
ES	7,397,897	10,972,629	0	0	57,676	0	5,007,024	8,178,969	37,848	0	0	811,004	0	0	0	0	0	0
FI	11,538	349,435	11,938	0	25,350	0	54,578	63,858	0	0	0	0	0	0	0	0	0	0
FR	3,061,086	2,147,545	0	0	540,428	0	7,034,898	1,726,697	0	599,398	0	82,582	0	0	0	0	0	0
GR	8,499,661	2,911,900	0	0	199,856	5,376,223	6,417,578	130,361,167	0	118,883	0	554,941	0	0	0	0	0	0
HR	1,497,738	1,328,288	0	0	1,625,198	4,277,746	360,107	241,275	0	0	0	0	0	63,196	0	0	0	0
HU	1,467,624	7,565,864	0	978,847	267,954	69,468,681	32,858,243	3,638,808	0	0	0	0	0	0	0	0	0	0
IE	0	0	0	0	0	0	0	20,082	0	0	0	0	0	0	0	0	0	0
IT	7,715,275	11,526,760	1,729,311	44,780	0	0	15,510,102	2,203,068	0	0	0	0	0	0	0	0	0	0
LT	225,558	1,470,677	36,264	0	34,563	335,525	6,141,602	231,300	0	0	0	274,668	0	0	0	0	0	0
LU	0	0	0	0	0	0	14,259	0	0	0	0	0	0	0	0	0	0	0
LV	86,961	924,595	0	0	58,789	1,638,778	17,487,462	124,182	0	0	0	0	0	0	0	0	0	0
MT	0	687,278	0	0	0	520,976	0	69,478	84,720	0	225,000	0	0	0	0	0	0	0
NL	110,737	250,124	0	0	0	0	128,242	151,025	0	0	0	0	0	0	0	0	0	0
PL	78,434,053	9,097,418	0	119,057	158,177	4,407,642	78,703,107	19,697,961	0	656,515	0	0	0	0	0	0	0	0
PT	1,794,249	8,946,611	37,466	0	1,442,258	906,864	34,396,124	4,726,595	0	0	0	0	0	0	0	0	0	0
RO	6,999,123	26,192,409	0	535,044	319,006	122,707,969	1,376,406,191	13,420,974	0	133,970	0	0	17,356	0	0	0	14,220	456,901
SE	76,455	397,799	22,203	0	0	0	236,629	69,442	24,424	0	45,625	0	0	0	0	0	0	0
SI	44,786	213,582	0	0	0	0	987,863	290,311	0	0	0	0	0	0	0	0	0	0
SK	64,527	1,821,593	496,361	324,826	10,773	221,284,104	105,578,367	43,475,303	0	0	0	0	0	0	0	0	0	0
UK	377,557	1,848,261	0	0	0	0	9,061,949	1,295,158	0	0	0	0	0	0	0	0	0	0
AL	0	0	0	0	0	0	0	0	0	0	0	0	0	5,464	0	1,579	0	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	0	324,548	0	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	34,062	1,093	69,741	0	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	211,301	124,173	0	192,843	0	0
TR	0	0	0	0	0	0	0	0	0	0	0	0	0	3,621,385	7,905	827,164	0	0
<b>TOTAL</b>	<b>120,878,839</b>	<b>113,038,898</b>	<b>2,333,543</b>	<b>2,106,691</b>	<b>6,524,836</b>	<b>449,549,334</b>	<b>1,753,497,010</b>	<b>235,655,867</b>	<b>183,761</b>	<b>1,900,290</b>	<b>462,535</b>	<b>1,748,415</b>	<b>317,441</b>	<b>4,172,828</b>	<b>8,998</b>	<b>1,091,327</b>	<b>49,747</b>	<b>456,901</b>