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5. Pre-Accession Policy (Pre-Accession Assistance and Instrument for Pre-Accession I and II)

Pre-Accession Assistance is provided through decentralised management where third countries distribute funds but account to the EU for how it is spent. In the last stages new Member States manage pre-accession funds under shared management to help them complete the transition. The goal of the EU as a global player is also promoted through direct management.

The assistance in pre-accession is provided on the basis of the European Partnerships of the potential candidates and the Accession Partnerships of the candidate countries. The current candidate countries are Albania, the Republic of North Macedonia, Montenegro, Serbia and Turkey. Potential candidate countries are Bosnia and Herzegovina and Kosovo[[1]](#footnote-1).

5.1. The Pre-accession Assistance (PAA), 2000-06

The old Pre-accession Assistance (PAA), regarding the period 2000-06, was financed by a number of European Union programmes and financial instruments for candidate countries or potential candidate countries, namely the programmes for candidate countries, [PHARE](http://europa.eu/legislation_summaries/enlargement/2004_and_2007_enlargement/e50004_en.htm), [SAPARD](http://europa.eu/legislation_summaries/agriculture/enlargement/l60023_en.htm) and [ISPA](http://europa.eu/legislation_summaries/enlargement/2004_and_2007_enlargement/l60022_en.htm), Phare Cross-Border Cooperation (CBC) and Coordination, Pre-accession financial assistance for Turkey[[2]](#footnote-2), Assistance for reconstruction, development and stabilisation for potential candidate countries ([CARDS](http://europa.eu/legislation_summaries/enlargement/western_balkans/r18002_en.htm))[[3]](#footnote-3) and Transition facility[[4]](#footnote-4).

5.2. The Instrument for Pre-accession 2007-13 – IPA I

The Instrument for Pre-Accession Assistance (IPA), which covered the period 2007-2013, was delivered through five components. The policy and programming of IPA consisted of [Multi-Annual Indicative Financial Framework](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/planning-ipa_en.htm) (MIFF) on a three year basis, established by country, component and a theme, and [Multi-Annual Indicative Planning Documents](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/planning-ipa_en.htm) (MIPDs) per country or per groups of countries (regional and horizontal programmes). The Candidate Countries had to submit also Strategic Coherence Frameworks (SCF) and Multi-annual Operational Programmes, both regarding IPA Components III and IV. Their principal aim was to prepare beneficiary countries for the future use of the Cohesion policy instruments by imitating closely its strategic documents, National Strategic Reference Framework (NSRF) and Operational Programmes (OP), and management modes.

The financing of IPA was provided by the five following different components and European Commission's [Directorate General](http://ec.europa.eu/enlargement/index_en.htm) 'Neighbourhood & Enlargement Negotiations' leads in the coordination of the instrument:

* + 1. Component I,*Transition Assistance and Institution Building (TAIB)*, managed by the European Commission's [Directorate General](http://ec.europa.eu/enlargement/index_en.htm) 'Neighbourhood & Enlargement Negotiations';
		2. Component II, *Cross-Border Cooperation*, in part managed by the European Commission's [Directorate General](http://ec.europa.eu/enlargement/index_en.htm) 'Neighbourhood & Enlargement Negotiations' and in part managed, under shared management with Member States, by European Commission's [Directorate General 'Regional](http://ec.europa.eu/agriculture/enlargement/index_en.htm) Policy';
		3. Component III, *Regional Development*, managed by the European Commission's [Directorate General 'Regional](http://ec.europa.eu/agriculture/enlargement/index_en.htm) Policy';
		4. Component IV, *Human Resources Development*, managed by the European Commission's [Directorate General 'Employment, Social Affairs](http://ec.europa.eu/social/main.jsp?catId=320&langId=en) and Inclusion'; and
		5. Component V - *Rural Development,* managed by the European Commission's [Directorate General 'Agriculture](http://ec.europa.eu/agriculture/enlargement/index_en.htm) and Rural Development'.

The pre- and post-accession assistance was implemented through a variety of *management modes* which take into account different levels of preparedness of the beneficiary countries**.** The assistance under IPA was designed also to prepare the beneficiary countries to assume full responsibility for the management of financial assistance granted by the EU.

The eligibility for IPA components differs depending on the state of preparedness. In the use of funds the IPA beneficiary countries were divided into two categories. Croatia and the EU candidate countries: the Republic of North Macedonia, Serbia and Turkey; were eligible for all five components of IPA. While the new candidate countries, Albania and Montenegro (candidate status awarded in 2010), remained outside the scope of intervention of IPA Component III, the regional development. The Potential candidate countries in the Western Balkans (Albania, Bosnia and Herzegovina, Montenegro and Kosovo) were eligible only for the first two components.[[5]](#footnote-5)

Implementation of Components I and II falls under the responsibility of DG 'Neighbourhood & Enlargement Negotiations', which initiated the components under a centralised management mode, with a view to transferring implementation management powers to the beneficiary countries as soon as their administrative capacities are considered sufficiently developed to ensure sound financial management. The EU Delegations play a major role in the delivery of IPA, in particular under the de-concentrated and decentralised management modes.[[6]](#footnote-6)

The implementation can be handled:

* directly by central management: funds are managed by DG 'Neighbourhood & Enlargement Negotiations' at headquarters;
* directly de-concentrated: funds are managed by EU Delegations under the supervision;
* directly centralised: cross-delegated when funds are managed by another service of the Commission through cross sub-delegation;
* indirectly in a centralised indirect management: funds are managed by executive agencies, specialised Community bodies (such as the European Investment Bank or the European Investment Fund) and national or international public-sector bodies or bodies governed by private law with a public-service mission;
* indirectly decentralised with ex ante control: funds are managed by accredited national authorities of the beneficiary country, but procurement is subject to ex ante control by the EC Delegation;
* decentralised without ex ante control: funds are managed by accredited national authorities of the beneficiary country and are not subject to ex ante controls by an EC Delegation;
* joint: funds are jointly managed with International Organisations (EBRD, EIB, Sigma, UN agencies, etc.)

5.3. The Instrument for Pre-accession 2014-20 – IPA II

Prepared in partnership with the beneficiaries, IPA II sets a new framework for providing pre-accession assistance for the period 2014-2020.

The most important novelty of IPA II is its strategic focus. Country Strategy Papers are the specific strategic planning documents made for each beneficiary for the 7-year period. These will provide for a stronger ownership by the beneficiaries through integrating their own reform and development agendas. A Multi-Country Strategy Paper will address priorities for regional cooperation or territorial cooperation.

IPA II targets reforms within the framework of pre-defined sectors. These sectors cover areas closely linked to the enlargement strategy, such as democracy and governance, rule of law or growth and competitiveness. This sector approach promotes structural reform that will help transform a given sector and bring it up to EU standards. It allows a move towards a more targeted assistance, ensuring efficiency, sustainability and focus on results.

IPA II also allows for a more systematic use of sector budget support. Finally, it gives more weight to performance measurement: indicators agreed with the beneficiaries will help assess to what extent the expected results have been achieved.

The priorities outlined in the Strategy Papers are translated into detailed actions, which are included in annual or multi-annual Action Programmes. IPA II Action Programmes take the form of Financing Decisions adopted by the European Commission.

The bulk of the assistance is channelled through the Country Action Programmes for IPA II Beneficiaries, which are the main vehicles for addressing country-specific needs in priority sectors as identified in the indicative Strategy Papers.

Multi-Country Action Programmes aim at enhancing regional cooperation (in particular in the Western Balkans) and at adding value to the Country Action Programmes through other multi-beneficiary actions.

Cross-Border Cooperation Programmes represent the focus of assistance in the area of territorial cooperation between IPA II beneficiaries, another important form of financial assistance.

Assistance for agriculture and rural development is also addressed via Rural Development Programmes.

IPA II funded activities are implemented and managed in various ways, in accordance with the Financial Regulation:

* Under direct management; *i.e.* the implementation of the budget is carried out directly by the European Commission until the relevant national authorities are accredited to manage the funds.
* Under indirect management; *i.e.* budget implementation tasks are delegated to and carried out by entities entrusted by the European Commission; they can be:
* the IPA II beneficiary or an entity designated by it (one of the main objectives of IPA II is to encourage beneficiaries to take ownership and responsibility for implementation. Indirect management by the IPAII beneficiary is therefore expected to become the norm);
* an agency of a Member State or, exceptionally, of a third donor country;
* an international organisation; or
* an EU specialised (but not executive) agency.

In other words, the EC delegates the management of certain actions to external entities, while still retaining overall final responsibility for the general budget execution.

* Shared management; i.e. implementation tasks are delegated to EU member states (only for cross–border cooperation programmes with EU countries).

In the context of direct management, Sector Budget Support is yet another tool for delivering pre-accession assistance and achieving sustainable results under IPA II. It consists of financial transfers to the national treasury account of an IPA II beneficiary and requires performance assessment and capacity development, based on partnership and mutual accountability. It is delivered through Sector Reform Contracts.

Implementation of IPA II includes a comprehensive monitoring mechanism. It provides for a review of overall performance of the progress in achieving results at the strategic, sector and action levels (i.e. results-based performance), in addition to monitoring of financial execution. Performance measurement will be based on indicators set out in the indicative Strategy Papers and the Programmes.

Joint monitoring committees (European Commission and beneficiaries) will continue to monitor the implementation of financial assistance programmes, as was the case for the previous period of IPA.

The Commission publishes an annual report on pre-accession assistance. This report covers the previous budget year.

5.4. General analysis

5.4.1. Pre-accession assistance (PAA)

Regarding the Pre-Accession Assistance (PAA), the number of reported irregularities decreased further in 2018 compared to the previous year. The downward trend, which started in 2009, was confirmed during the last five years, as Table PA1 shows.

With the phasing out of the pre-accession programmes, in 2018, non-fradulent irregularities were not reported. However, the irregularities reported as fraudulent increased.



In the past five years, most of the fraudulent irregularities (87%, in terms of number, and 92%, in terms of financial amount) were reported by Romania. Most of the non-fraudulent irregularities were reported by Romania and Bulgaria (93%, in terms of number, and 99%, in terms of financial amount). In relation to the distribution of irregularities according to funds, both the highest number (50%) and financial amounts (47%) related to SAPARD. PHARE was also affected by a significant share of the reported irregularities (40%), while ISPA recorded by far the highest average financial amout per irregularity (sevent times higher than the one related to the SAPARD cases)

5.4.2. Instrument for Pre-Accession (IPA I)

Since 2014, the trend of IPA reporting (financial framework 2007-13) has begun to develop in an upward curve, both in terms of number of irregularities and involved amounts. The increasing trend can be considered within the norm as the reporting of irregularities of IPA has only begun in recent years.

Table PA2 details the underlining data and shows the evolution of reporting of all the irregularities (reported and not reported as fraudulent) since 2014. The number of irregularities not reported as fraudulent jumped to a new level in 2014 and then continued to grow in the following years. The financial amounts involved did not mirror this trend. In 2017, they doubled with respect to 2016 and reached the peak since 2014, before decreasing in 2018, despite the still increasing number of irregularities. Similarly to what happened for the irregularities not reported as fraudulent, the number of irregularities reported as fraudulent shifted upwards, but in 2015, and then continued to increase. The financial amounts experienced fluctuations that did not strictly follow changes in numbers. In 2017, the highest financial amounts were recorded (since 2014).



During the last five years, the highest number of reported irregularities was communicated by Turkey (57%), Bulgaria and Croatia. Most of the financial amounts (90%) were involved in irregularities reported by Turkey. When focusing on fraudulent irregularities, Turkey was still the Countries reporting most of the irregularities (73%) and financial amounts (89%). 15% of the irregularities were repoted by Serbia. The highest number of irregularities was recorded in relation to IPARD (37%) and Cross-Border Cooperation (31%). IPARD recorded by far the highest financial amounts (66% of the total).

5.5. Specific analysis – Financial year 2018

5.5.1. Pre-Accession Assistance (PAA)

In 2018, four irregularities were reported as fraudulent by Romania and Turkey, as shown in Table PA3. No irregularities were reported as non-fraudulent.



These irregularities affected in particular TIPAA, to which most of the financial amounts were related.



5.5.2. Instrument for Pre-Accession (IPA)

In relation to IPA I (2007-13), there were 13 irregularities reported as fraudulent in 2018, for an overall financial impact of about EUR 1.2 million. Tables PA5 and PA6 show, respectively, the breakdown per country and per component.



In 2018, Turkey was the country reporting the highest number of irregularities and the related financial amounts. Concerning the irregularities reported as fraudulent, 10 out of these 13 cases were notified by Turkey.

Rural Development programmes accounted for the highest number of cases (45%) and, even more, financial amounts involved (69%).



Concerning the *modus operandi*, the most frequent category of irregularity refers to '*Ethics and integrity*' (not in combination with other categories) and most of these cases are not reported as fraudulent. This category includes conflict of interest and corruption, but the cases detected have been reported using a residual code *'Other'.*

5.5.3. Instrument for Pre-Accession (IPA II)

For the programming period 2014-2020, the first irregularity was detect in 2017 by Turkey and reported as fraudulent.

In 2018, reporting accelerated with 17 irregularities (see Table PA7). 10 of these irregularities were reported by Turkey and Serbia, including all irregularities reported as fraudulent. Bulgaria nearly completed the picture with 5 irregularities, all reported as not fraudulent.



As shown by Table PA8, most of these irregularities are evenly shared among the Cross Border Co-operation programmes (reported by Bulgaria and Serbia) and rural development (mostly reported by Turkey).



6. Direct Management

6.1. Introduction

This chapter 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, by 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. [[7]](#footnote-7)

For the financial year 2018, a total of EUR 20 825 million[[8]](#footnote-8) has been disbursed under the ‘direct management’ mode. Table DM1 presents the actual payments made in the financial year 2018 for the policy areas under ‘direct management’.

*Table DM1 – Payments made in financial year 2018 per policy area*



6.2. General analysis

For the financial year 2018, the Commission services registered 1 623 recovery items[[9]](#footnote-9) in ABAC that were qualified as irregularities for a total financial value EUR 73.77 million. Among these recovery items, 44 have been reported as fraudulent, involving EUR 6.17 million irregular amounts.

However, it has to be underlined that qualifications attributed to recovery items may change over the years: it may happen that cases of irregularities are turned to suspicions of fraud or the other way round, suspicions of fraud are reclassified as non-fraudulent irregularities upon the closure of the OLAF investigation. As a consequence, no direct conclusion can be drawn from the data with regard to the general trend of irregularities or fraud in this budget area.

6.2.1. Five year analysis 2014-2018

The below analysis gives an overview of recovery data recorded in the ABAC system in the last five years. From a purely statistical point of view, it can be said that between 2014 and 2018, the average number of recovery items qualified as ‘irregularities reported as fraudulent’[[10]](#footnote-10) was 57. 2015 was a year when less such recovery items were registered with lower corresponding recovery amounts. The ratio between the amounts related to ‘irregularities reported as fraudulent’ and relative expenditure is very small, it remains close to zero (0.036%) in the given five year period. This ratio has been stable for many years now. Figures are presented in Table DM2 below.

*Table DM2 – Irregularities reported as fraudulent and related amounts, financial years 2014-2018*



With regard to ‘irregularities not reported as fraudulent’ the average number of recovery items registered per year is 1 718. The figure for 2018 fits in the slightly decreasing five-year trend, which was interrupted only in 2015 (see table DM3).

*Table DM3 – Irregularities not reported as fraudulent and related amounts, financial years 2014-2018*



Between 2014 and 2018, there were all together 8 590 registered recovery items qualified as ‘irregularities not reported as fraudulent’, with an aggregate recovery amount of EUR 389.76 million.

The ratio between the aggregate irregular amounts corresponding to the recovery items (classified as ‘irregularities not reported as fraudulent’ between 2014 and 2018) and the reference figure of the related expenditure is about half a percent point (0.440%). This ratio has been stable since 2016 (around 0,3-0,4%).

All these figures have to be interpreted in positive terms; they demonstrate 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 a picture of irregularity statistics with a breakdown of the policy areas for year 2018.

*Table DM4 – Irregularities reported by policy areas and related amounts, 2018*



In the financial year 2018, the highest numbers of recovery items qualified as 'irregularities not reported as fraudulent' were recorded in the ‘Communications networks, content and technology’ budget area (316). This was also the policy field where the highest irregular amounts were registered (EUR 13.99 million). It was followed by ‘Research and innovation’ with the second highest number of recovery items (309) and related financial amount (EUR 11.68 million). The third policy area, both in terms of number of non-fraudulent irregularities and related financial amounts, is ‘International cooperation and development' (EUR 9.41 million). These three policy areas account for 52% of the overall irregular recovery amounts for the year 2018.

With reference to ‘irregularities reported as fraudulent’, there were 44 recovery items registered. Half of them concerned the budget area ‘Communications networks, content and technology’ (22 items), followed by ‘Education and Culture’ (6 items) and ‘Research and innovation’ (5 items).

The total related irregular amounts were EUR 6.17 million, of which one third is referred to the policy area ‘Communications networks, content and technology’ (EUR 2.04 million).

The five-year perspective of irregularities regarding the policy fields is presented hereunder in table DM5.

*Table DM5 – Irregularities reported by policy areas and related amounts, financial years 2014-2018*



Over a five-year period, it is again in the ‘Communications networks, content and technology’ policy field, where the highest aggregate recovery amounts (EUR 18.53 million) were recorded in relation to ‘irregularities reported as fraudulent’ (more than half of the total amounts). It is followed at a distance by the policy areas ‘Education and culture’ (EUR 3.81 million) and ‘Research and innovation’ (EUR 3.17 million).

During the last five years, the highest aggregate recovery amounts related to ‘irregularities not reported as fraudulent’ were recorded in the policy area ‘Research and innovation’ (EUR 80.45 million). It was followed by ‘Mobility and transport’ (EUR 65.21 million) and ‘Communications networks, content and technology’ (EUR 57.31 million). These three policy areas accounted for more than half (52%) of the total recovery amounts related to ‘irregularities not reported as fraudulent’ over the past five years. Compared to the overall payments made during the same period for all fields, the irregularity rate remained very low (on average 0.440%+0.036% = 0.476%).

6.3.2. Recoveries according to legal entity residence

For the last five years, 86% of the total number of recovery items and 88% of the corresponding recovery amounts qualified as ‘irregularities not reported as fraudulent’ concerned legal entities that are resident of the European Union. It should be noted however, that the residence of the legal entity is not necessarily the same as that of the main beneficiary. Nevertheless, in 72% of these irregularities and for 70% of the corresponding amounts, the main beneficiary was also an EU Member State. In case of ‘irregularities reported as fraudulent’, these ratios are somewhat higher: 91% of the total number of recovery items and 94% of the corresponding recovery amounts concerned a legal entity residing in an EU country, and in 82% of these cases and 83% of the amounts concerned a final beneficiary that is also resident in an EU country.

*Table DM6 – Recoveries per country of residence of the legal entity, 2014-2018*



Table DM6 above summarises the total recoveries made in the past five years according to the country of the legal entity to which the payment was unduly disbursed.

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 DM7 gives a breakdown of the recoveries by source of detection and by qualification in the last five years.

*Table DM7 – Irregularities reported by source of detection and by qualification, 2014-2018*



Regarding the ‘irregularities reported as fraudulent’, ‘OLAF’ has been marked as the source of detection in relation to 56% of recovery items corresponding to 78% of total recovery amounts. Meanwhile ‘Ex-post controls’ was the source of detection of another 38% of this type of recovery items corresponding to another 19% of recovery amounts.

85% of ‘irregularities not reported as fraudulent’ were detected through Commission controls (*ex-ante* and *ex-post* controls).

6.3.4. Types of irregularity

The Commission services also have to indicate the type of irregularity in the recovery context for the respective recovery item in question. Several types can be attributed to one recovery item. When it comes to ‘irregularities reported as fraudulent’, the irregularity type ‘Amount ineligible’ was the most frequent in the past five years, followed by ‘Documents missing’. In relation to ‘irregularities not reported as fraudulent’, ‘Amount ineligible’ was the most frequent irregularity type, followed by ‘Under-performance/Non-performance’ and ‘Documents missing’. Table DM8 provides the full picture regarding the frequency of each type over the last five years.

*Table DM8 – Types of irregularity, 2014-2018*



The figures for irregularity type frequency are stable and have been following the same pattern during many years.

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 to the beneficiary.

For the recovery orders issued between 2014 and 2018, 58% of the total irregular amounts have already been recovered. There are differences between the recovery rates depending on the qualification. The recovery rate for ‘irregularities reported as fraudulent’ (28%) remains well below the one calculated for ‘irregularities not reported as fraudulent’ (60%).

COUNTRY FACTSHEETS

Belgium - Belgique/België









Bulgaria - България









Czech Republic - Česká republika









Denmark - Danmark









Germany - Deutschland









Estonia - Eesti









Ireland - Éire









Greece - Ελλάδα









Spain - España









France









Croatia - Hrvatska









Italy - Italia









Cyprus - Κύπρος









Latvia - Latvija









Lithuania - Lietuva









Luxembourg









Hungary - Magyarország









Malta









Netherlands - Nederland









Austria - Österreich









Poland - Polska









Portugal









Romania - România









Slovenia - Slovenija









Slovakia - Slovensko









Finland – Suomi-Finland









Sweden - Sverige









United Kingdom









*ANNEXES*

**Annex 1**

|  |  |
| --- | --- |
|   | **TOR: Total number of fraudulent and non-fraudulent cases discovered with the related estimated and established amount 2014-2018**  |
| **MS** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| **BE** | 147 | 19.048.837 | 253 | 15.381.576 | 213 | 14.800.873 | 223 | 24.965.787 | 256 | 42.770.603 |
| **BG** | 28 | 634.160 | 27 | 745.534 | 13 | 343.818 | 20 | 1.258.312 | 6 | 601.490 |
| **CZ** | 83 | 12.327.345 | 72 | 3.674.130 | 82 | 5.727.119 | 89 | 8.355.714 | 94 | 4.696.506 |
| **DK** | 71 | 5.336.711 | 91 | 6.222.118 | 79 | 12.258.546 | 58 | 2.416.910 | 54 | 7.401.412 |
| **DE** | 1.781 | 95.550.296 | 2.136 | 140.563.082 | 1.853 | 86.145.500 | 2.000 | 108.871.648 | 1.509 | 107.827.233 |
| **EE** | 8 | 249.167 | 9 | 247.557 | 9 | 1.303.483 | 5 | 322.079 | 9 | 677.107 |
| **IE** | 28 | 4.313.814 | 32 | 3.340.624 | 35 | 6.402.932 | 35 | 3.189.457 | 36 | 4.615.501 |
| **EL** | 48 | 12.188.688 | 57 | 16.692.582 | 46 | 16.496.661 | 43 | 14.630.570 | 30 | 6.480.744 |
| **ES** | 413 | 47.411.444 | 320 | 24.817.480 | 303 | 45.263.054 | 264 | 48.337.739 | 314 | 33.934.611 |
| **FR** | 426 | 47.886.717 | 382 | 28.690.422 | 346 | 48.020.494 | 299 | 28.037.557 | 280 | 96.151.343 |
| **HR** | 10 | 647.638 | 14 | 975.020 | 17 | 609.108 | 15 | 1.094.608 | 16 | 1.102.842 |
| **IT** | 155 | 62.036.016 | 152 | 12.771.224 | 112 | 13.805.644 | 145 | 18.025.093 | 104 | 9.827.329 |
| **CY** | 11 | 162.729 | 4 | 127.072 | 8 | 332.446 | 5 | 128.966 | 4 | 70.088 |
| **LV** | 26 | 1.717.375 | 30 | 1.995.004 | 32 | 4.056.870 | 12 | 555.952 | 18 | 1.072.073 |
| **LT** | 49 | 2.892.165 | 47 | 1.325.639 | 26 | 915.350 | 57 | 2.339.517 | 45 | 5.125.206 |
| **LU** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **HU** | 87 | 1.419.634 | 27 | 1.213.969 | 16 | 4.121.423 | 26 | 6.294.351 | 11 | 1.238.194 |
| **MT** | 4 | 1.466.945 | 5 | 623.612 | 2 | 320.682 | 2 | 366.319 | 0 | 0 |
| **NL** | 393 | 42.787.270 | 462 | 111.187.120 | 523 | 132.231.615 | 450 | 75.625.235 | 503 | 130.744.804 |
| **AT** | 81 | 6.389.271 | 75 | 3.909.658 | 61 | 15.345.478 | 56 | 7.365.832 | 47 | 2.184.744 |
| **PL** | 213 | 10.611.911 | 129 | 5.053.147 | 166 | 6.974.203 | 99 | 3.265.078 | 149 | 8.193.145 |
| **PT** | 58 | 3.652.681 | 22 | 3.764.190 | 17 | 6.609.241 | 38 | 5.457.304 | 37 | 9.398.614 |
| **RO** | 75 | 7.096.470 | 93 | 8.008.639 | 57 | 5.531.161 | 32 | 3.028.787 | 25 | 2.425.741 |
| **SI** | 19 | 1.201.576 | 12 | 446.511 | 1 | 25.222 | 12 | 491.867 | 13 | 969.765 |
| **SK** | 35 | 1.753.766 | 10 | 605.925 | 18 | 1.026.172 | 11 | 756.807 | 11 | 550.903 |
| **FI** | 35 | 1.446.295 | 38 | 1.739.021 | 40 | 2.385.846 | 31 | 2.058.548 | 32 | 2.945.510 |
| **SE** | 87 | 4.066.009 | 79 | 3.000.495 | 101 | 6.022.090 | 169 | 10.737.269 | 151 | 5.963.715 |
| **UK** | 1.198 | 69.461.143 | 971 | 45.162.720 | 835 | 83.372.748 | 811 | 99.691.527 | 809 | 127.971.890 |
| **Total** | **5.569** | **463.756.072** | **5.549** | **442.284.072** | **5.011** | **520.447.778** | **5.007** | **477.668.832** | **4.563** | **614.941.111** |

**Annex 2**

|  |  |
| --- | --- |
|   | **TOR: Total number of fraudulent cases discovered with the related estimated and established amount 2014-2018**  |
| **MS** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| **BE** | 26 | 13.145.504 | 45 | 7.486.346 | 41 | 8.952.164 | 28 | 14.561.421 | 39 | 35.939.701 |
| **BG** | 24 | 497.380 | 23 | 648.683 | 11 | 331.471 | 19 | 1.192.724 | 5 | 542.270 |
| **CZ** | 0 | 0 | 2 | 47.149 | 2 | 148.057 | 0 | 0 | 0 | 0 |
| **DK** | 2 | 696.296 | 6 | 2.681.773 | 5 | 8.555.495 | 1 | 87.789 | 2 | 167.285 |
| **DE** | 143 | 13.756.734 | 159 | 29.702.791 | 117 | 5.423.401 | 59 | 7.285.945 | 95 | 18.731.575 |
| **EE** | 2 | 108.304 | 5 | 134.899 | 4 | 71.272 | 4 | 310.930 | 4 | 568.102 |
| **IE** | 4 | 2.249.080 | 8 | 1.544.668 | 6 | 1.176.186 | 1 | 33.992 | 10 | 1.497.154 |
| **EL** | 35 | 9.953.507 | 34 | 13.390.124 | 38 | 7.897.411 | 33 | 14.329.015 | 21 | 5.205.677 |
| **ES** | 122 | 31.249.790 | 75 | 4.956.829 | 50 | 3.198.014 | 34 | 3.162.346 | 44 | 3.906.486 |
| **FR** | 135 | 33.844.347 | 99 | 14.865.623 | 92 | 25.954.197 | 98 | 13.221.533 | 60 | 80.276.451 |
| **HR** | 8 | 513.850 | 5 | 249.286 | 5 | 342.904 | 8 | 831.921 | 12 | 1.028.297 |
| **IT** | 51 | 54.349.363 | 40 | 5.553.956 | 22 | 6.916.737 | 23 | 1.947.383 | 38 | 5.800.213 |
| **CY** | 2 | 22.192 | 3 | 112.709 | 7 | 332.446 | 4 | 118.402 | 1 | 12.878 |
| **LV** | 19 | 866.731 | 18 | 1.616.073 | 16 | 938.871 | 8 | 359.109 | 7 | 779.838 |
| **LT** | 14 | 712.907 | 17 | 559.196 | 10 | 266.102 | 38 | 1.332.822 | 20 | 1.900.284 |
| **LU** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **HU** | 8 | 185.714 | 5 | 180.657 | 2 | 86.787 | 4 | 332.664 | 1 | 771.268 |
| **MT** | 3 | 1.391.777 | 1 | 18.961 | 2 | 320.682 | 2 | 366.319 | 0 | 0 |
| **NL** | 7 | 414.169 | 3 | 1.596.447 | 9 | 515.657 | 10 | 3.358.199 | 18 | 2.365.801 |
| **AT** | 23 | 3.627.369 | 10 | 1.001.186 | 14 | 5.716.261 | 7 | 5.654.247 | 3 | 87.272 |
| **PL** | 37 | 3.433.335 | 59 | 1.751.606 | 92 | 2.977.357 | 52 | 1.858.778 | 41 | 2.239.388 |
| **PT** | 4 | 454.899 | 7 | 3.214.944 | 1 | 5.299.535 | 6 | 839.593 | 3 | 1.604.104 |
| **RO** | 14 | 366.332 | 21 | 990.209 | 16 | 2.743.678 | 9 | 297.917 | 3 | 50.386 |
| **SI** | 13 | 1.067.985 | 3 | 139.295 | 0 | 0 | 4 | 171.727 | 8 | 405.956 |
| **SK** | 3 | 256.714 | 3 | 117.282 | 3 | 707.196 | 0 | 0 | 5 | 115.016 |
| **FI** | 3 | 74.840 | 6 | 412.415 | 6 | 119.457 | 4 | 83.383 | 5 | 267.571 |
| **SE** | 3 | 214.245 | 0 | 0 | 2 | 92.247 | 4 | 4.328.446 | 1 | 33.964 |
| **UK** | 44 | 2.329.868 | 42 | 990.109 | 9 | 299.933 | 9 | 482.705 | 27 | 937.725 |
| **Total** | **749** | **175.783.234** | **699** | **93.963.217** | **582** | **89.383.521** | **469** | **76.549.311** | **473** | **165.234.661** |

**Annex 3**

|  |  |
| --- | --- |
|   | **TOR: Total number of non-fraudulent cases with the related estimated and established amount - 2014-2018**  |
| **MS** | **2014** | **2015** | **2016** | **2017** | **2018** |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| **BE** | 121 | 5.903.333 | 208 | 7.895.230 | 172 | 5.848.708 | 195 | 10.404.367 | 217 | 6.830.902 |
| **BG** | 4 | 136.779 | 4 | 96.851 | 2 | 12.347 | 1 | 65.587 | 1 | 59.220 |
| **CZ** | 83 | 12.327.345 | 70 | 3.626.981 | 80 | 5.579.062 | 89 | 8.355.714 | 94 | 4.696.506 |
| **DK** | 69 | 4.640.414 | 85 | 3.540.345 | 74 | 3.703.051 | 57 | 2.329.121 | 52 | 7.234.128 |
| **DE** | 1.638 | 81.793.561 | 1.977 | 110.860.291 | 1.736 | 80.722.099 | 1.941 | 101.585.704 | 1.414 | 89.095.658 |
| **EE** | 6 | 140.863 | 4 | 112.658 | 5 | 1.232.211 | 1 | 11.149 | 5 | 109.005 |
| **IE** | 24 | 2.064.734 | 24 | 1.795.956 | 29 | 5.226.746 | 34 | 3.155.465 | 26 | 3.118.347 |
| **EL** | 13 | 2.235.181 | 23 | 3.302.458 | 8 | 8.599.250 | 10 | 301.554 | 9 | 1.275.067 |
| **ES** | 291 | 16.161.654 | 245 | 19.860.651 | 253 | 42.065.040 | 230 | 45.175.393 | 270 | 30.028.125 |
| **FR** | 291 | 14.042.370 | 283 | 13.824.800 | 254 | 22.066.297 | 201 | 14.816.024 | 220 | 15.874.892 |
| **HR** | 2 | 133.787 | 9 | 725.734 | 12 | 266.204 | 7 | 262.687 | 4 | 74.545 |
| **IT** | 104 | 7.686.653 | 112 | 7.217.268 | 90 | 6.888.907 | 122 | 16.077.710 | 66 | 4.027.116 |
| **CY** | 9 | 140.537 | 1 | 14.363 | 1 | 0 | 1 | 10.564 | 3 | 57.210 |
| **LV** | 7 | 850.644 | 12 | 378.930 | 16 | 3.117.998 | 4 | 196.843 | 11 | 292.235 |
| **LT** | 35 | 2.179.258 | 30 | 766.443 | 16 | 649.248 | 19 | 1.006.695 | 25 | 3.224.922 |
| **LU** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **HU** | 79 | 1.233.920 | 22 | 1.033.311 | 14 | 4.034.636 | 22 | 5.961.687 | 10 | 466.926 |
| **MT** | 1 | 75.168 | 4 | 604.651 | 0 | 0 | 0 | 0 | 0 | 0 |
| **NL** | 386 | 42.373.101 | 459 | 109.590.673 | 514 | 131.715.958 | 440 | 72.267.036 | 485 | 128.379.003 |
| **AT** | 58 | 2.761.902 | 65 | 2.908.472 | 47 | 9.629.217 | 49 | 1.711.585 | 44 | 2.097.472 |
| **PL** | 176 | 7.178.576 | 70 | 3.301.541 | 74 | 3.996.846 | 47 | 1.406.300 | 108 | 5.953.757 |
| **PT** | 54 | 3.197.782 | 15 | 549.246 | 16 | 1.309.706 | 32 | 4.617.711 | 34 | 7.794.511 |
| **RO** | 61 | 6.730.138 | 72 | 7.018.430 | 41 | 2.787.483 | 23 | 2.730.870 | 22 | 2.375.356 |
| **SI** | 6 | 133.591 | 9 | 307.216 | 1 | 25.222 | 8 | 320.139 | 5 | 563.809 |
| **SK** | 32 | 1.497.052 | 7 | 488.643 | 15 | 318.976 | 11 | 756.807 | 6 | 435.887 |
| **FI** | 32 | 1.371.455 | 32 | 1.326.606 | 34 | 2.266.388 | 27 | 1.975.165 | 27 | 2.677.938 |
| **SE** | 84 | 3.851.764 | 79 | 3.000.495 | 99 | 5.929.843 | 165 | 6.408.823 | 150 | 5.929.751 |
| **UK** | 1.154 | 67.131.275 | 929 | 44.172.610 | 826 | 83.072.815 | 802 | 99.208.822 | 782 | 127.034.165 |
| **Total** | **4.820** | **287.972.838** | **4.850** | **348.320.855** | **4.429** | **431.064.257** | **4.538** | **401.119.521** | **4.090** | **449.706.450** |

**Annex 4**

|  |  |
| --- | --- |
|   |  **TOR: Percentage of the financial impact of OWNRES cases to the collected and made available TOR (gross) in 2018 per Member State** |
| **MS** | **Gross amount TOR collected (A account)** | **All** | **Fraudulent** | **Non-fraudulent** |
| **OWNRES established and estimated amount** | **Percentage OWNRES/ gross TOR** | **OWNRES established and estimated amount** | **Percentage OWNRES/ gross TOR** | **OWNRES established and estimated amount** | **Percentage OWNRES/ gross TOR** |
| **EUR** | **EUR** | **%** | **EUR** | **%** | **EUR** | **%** |
| **BE** | 2.605.160.504 | 42.770.603 | 1,64% | 35.939.701 | 1,38% | 6.830.902 | 0,26% |
| **BG** | 120.546.317 | 601.490 | 0,50% | 542.270 | 0,45% | 59.220 | 0,05% |
| **CZ** | 333.294.541 | 4.696.506 | 1,41% | 0 | 0,00% | 4.696.506 | 1,41% |
| **DK** | 421.859.377 | 7.401.412 | 1,75% | 167.285 | 0,04% | 7.234.128 | 1,71% |
| **DE** | 4.999.734.214 | 107.827.233 | 2,16% | 18.731.575 | 0,37% | 89.095.658 | 1,78% |
| **EE** | 41.242.082 | 677.107 | 1,64% | 568.102 | 1,38% | 109.005 | 0,26% |
| **IE** | 356.401.517 | 4.615.501 | 1,30% | 1.497.154 | 0,42% | 3.118.347 | 0,87% |
| **EL** | 225.288.406 | 6.480.744 | 2,88% | 5.205.677 | 2,31% | 1.275.067 | 0,57% |
| **ES** | 1.910.119.170 | 33.934.611 | 1,78% | 3.906.486 | 0,20% | 30.028.125 | 1,57% |
| **FR** | 2.058.694.268 | 96.151.343 | 4,67% | 80.276.451 | 3,90% | 15.874.892 | 0,77% |
| **HR** | 45.852.052 | 1.102.842 | 2,41% | 1.028.297 | 2,24% | 74.545 | 0,16% |
| **IT** | 2.271.237.062 | 9.827.329 | 0,43% | 5.800.213 | 0,26% | 4.027.116 | 0,18% |
| **CY** | 28.829.016 | 70.088 | 0,24% | 12.878 | 0,04% | 57.210 | 0,20% |
| **LV** | 53.312.705 | 1.072.073 | 2,01% | 779.838 | 1,46% | 292.235 | 0,55% |
| **LT** | 114.101.823 | 5.125.206 | 4,49% | 1.900.284 | 1,67% | 3.224.922 | 2,83% |
| **LU** | 25.125.758 | 0 | 0,00% | 0 | 0,00% | 0 | 0,00% |
| **HU** | 241.361.284 | 1.238.194 | 0,51% | 771.268 | 0,32% | 466.926 | 0,19% |
| **MT** | 16.065.932 | 0 | 0,00% | 0 | 0,00% | 0 | 0,00% |
| **NL** | 3.128.684.495 | 130.744.804 | 4,18% | 2.365.801 | 0,08% | 128.379.003 | 4,10% |
| **AT** | 262.092.022 | 2.184.744 | 0,83% | 87.272 | 0,03% | 2.097.472 | 0,80% |
| **PL** | 918.734.486 | 8.193.145 | 0,89% | 2.239.388 | 0,24% | 5.953.757 | 0,65% |
| **PT** | 219.866.963 | 9.398.614 | 4,27% | 1.604.104 | 0,73% | 7.794.511 | 3,55% |
| **RO** | 219.780.701 | 2.425.741 | 1,10% | 50.386 | 0,02% | 2.375.356 | 1,08% |
| **SI** | 87.993.071 | 969.765 | 1,10% | 405.956 | 0,46% | 563.809 | 0,64% |
| **SK** | 116.727.140 | 550.903 | 0,47% | 115.016 | 0,10% | 435.887 | 0,37% |
| **FI** | 172.748.885 | 2.945.510 | 1,71% | 267.571 | 0,15% | 2.677.938 | 1,55% |
| **SE** | 617.626.338 | 5.963.715 | 0,97% | 33.964 | 0,01% | 5.929.751 | 0,96% |
| **UK** | 3.677.057.294 | 127.971.890 | 3,48% | 937.725 | 0,03% | 127.034.165 | 3,45% |
| **Total** | **25.289.537.421** | **614.941.111** | **2,43%** | **165.234.661** | **0,65%** | **449.706.450** | **1,78%** |

**Annex 5**

|  |  |
| --- | --- |
|  | **TOR: Recovery rates (RR) per cut-off date**  |
| **MS** | **2017** | **2018** |
| **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** | 16.629.676 | 11.184.943 | 67% | 22.044.258 | 11.300.647 | 51% |
| **BG** | 1.258.312 | 132.243 | 11% | 601.490 | 97.201 | 16% |
| **CZ** | 8.355.714 | 4.819.621 | 58% | 4.696.506 | 4.467.278 | 95% |
| **DK** | 2.416.910 | 2.221.505 | 92% | 7.401.412 | 6.131.166 | 83% |
| **DE** | 108.871.648 | 94.986.635 | 87% | 107.827.233 | 84.937.555 | 79% |
| **EE** | 322.079 | 11.149 | 3% | 677.107 | 89.986 | 13% |
| **IE** | 3.155.465 | 3.080.086 | 98% | 3.118.347 | 1.933.034 | 62% |
| **EL** | 8.381.459 | 212.608 | 3% | 4.433.723 | 278.332 | 6% |
| **ES** | 46.695.822 | 13.165.105 | 28% | 31.762.275 | 22.411.605 | 71% |
| **FR** | 26.975.788 | 12.968.296 | 48% | 94.753.921 | 83.959.602 | 89% |
| **HR** | 1.094.608 | 413.389 | 38% | 1.102.842 | 530.187 | 48% |
| **IT** | 17.013.388 | 3.390.795 | 20% | 8.787.390 | 3.001.627 | 34% |
| **CY** | 128.966 | 43.302 | 34% | 70.088 | 57.210 | 82% |
| **LV** | 555.952 | 51.897 | 9% | 1.072.073 | 260.684 | 24% |
| **LT** | 2.339.517 | 425.866 | 18% | 5.125.206 | 3.181.380 | 62% |
| **LU** | 0 | 0 | 0% | 0 | 0 | 0% |
| **HU** | 6.294.351 | 5.648.656 | 90% | 1.238.194 | 1.124.657 | 91% |
| **MT** | 366.319 | 0 | 0% | 0 | 0 | 0% |
| **NL** | 74.316.412 | 26.852.677 | 36% | 129.994.060 | 32.551.628 | 25% |
| **AT** | 7.365.832 | 6.205.569 | 84% | 2.184.744 | 1.845.505 | 84% |
| **PL** | 3.265.078 | 1.343.898 | 41% | 8.159.660 | 4.047.943 | 50% |
| **PT** | 4.982.829 | 2.635.890 | 53% | 9.347.470 | 3.719.205 | 40% |
| **RO** | 2.876.537 | 1.348.510 | 47% | 2.396.606 | 788.592 | 33% |
| **SI** | 491.867 | 491.867 | 100% | 969.765 | 969.765 | 100% |
| **SK** | 756.807 | 756.807 | 100% | 550.903 | 319.131 | 58% |
| **FI** | 2.058.548 | 1.829.838 | 89% | 2.945.510 | 2.741.186 | 93% |
| **SE** | 10.711.486 | 6.285.130 | 59% | 5.929.751 | 5.735.508 | 97% |
| **UK** | 99.004.048 | 60.237.766 | 61% | 127.147.990 | 43.347.909 | 34% |
| **Total** | **456.685.417** | **260.744.046** | **57%** | **584.338.523** | **319.828.526** | **55%** |

**Annex 6**

|  |  |
| --- | --- |
|  | **TOR: Estimated and established amount per customs procedure per Member State 2018** |
| **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** | 33.021.865 | 344.723 |   | 16.192 | 2.556.920 | 3.971.961 | 819.259 | 381.246 | 1.531.704 | 126.731 |
| **BG** | 365.918 | 176.352 |   |   |   | 59.220 |   |   |   |   |
| **CZ** |   |   |   |   |   | 4.503.807 | 19.560 |   | 173.139 |   |
| **DK** | 144.120 |   | 23.165 |   |   | 7.135.725 |   |   | 98.402 |   |
| **DE** | 18.698.778 |   |   |   | 32.797 | 69.409.682 | 355.791 | 1.697.423 | 16.490.747 | 1.142.014 |
| **EE** |   |   |   |   | 568.102 | 109.005 |   |   |   |   |
| **IE** |   |   |   |   | 1.497.154 | 2.885.837 |   | 11.383 | 36.788 | 184.339 |
| **EL** | 805.756 | 50.132 |   |   | 4.349.789 | 292.995 |   | 982.072 |   |   |
| **ES** | 3.906.486 |   |   |   |   | 23.334.674 |   |   | 6.675.246 | 18.205 |
| **FR** | 78.445.150 | 22.329 | 14.149 | 251.865 | 1.542.958 | 10.929.267 | 156.734 | 84.754 | 3.753.411 | 950.726 |
| **HR** | 687.979 | 340.317 |   |   |   | 74.545 |   |   |   |   |
| **IT** | 4.808.521 | 991.692 |   |   |   | 2.354.582 | 34.079 | 13.550 | 95.938 | 1.528.967 |
| **CY** | 12.878 |   |   |   |   | 57.210 |   |   |   |   |
| **LV** | 760.830 |   |   |   | 19.008 | 229.964 | 26.501 |   | 34.738 | 1.032 |
| **LT** |   | 47.037 |   |   | 1.853.247 | 3.158.820 | 29.171 | 36.931 |   |   |
| **LU** |   |   |   |   |   |   |   |   |   |   |
| **HU** | 771.268 |   |   |   |   | 466.926 |   |   |   |   |
| **MT** |   |   |   |   |   |   |   |   |   |   |
| **NL** | 1.334.190 |   | 111.419 | 920.192 |   | 105.097.367 | 660.617 | 5.986.970 | 15.700.105 | 933.944 |
| **AT** | 87.272 |   |   |   |   | 1.965.230 | 101.524 |   | 12.718 | 18.000 |
| **PL** | 1.364.489 | 874.899 |   |   |   | 4.634.955 | 1.318.802 |   |   |   |
| **PT** | 1.604.104 |   |   |   |   | 7.794.511 |   |   |   |   |
| **RO** | 21.251 |   |   |   | 29.135 | 2.375.356 |   |   |   |   |
| **SI** | 405.956 |   |   |   |   | 563.809 |   |   |   |   |
| **SK** | 57.484 | 57.532 |   |   |   | 435.887 |   |   |   |   |
| **FI** | 251.085 |   | 16.487 |   |   | 2.555.806 | 10.365 |   | 111.767 |   |
| **SE** | 33.964 |   |   |   |   | 5.257.998 | 141.452 | 363.108 | 105.317 | 61.876 |
| **UK** | 937.725 |   |   |   |   | 105.266.076 | 525.328 |   | 21.242.761 |   |
| **Total** |  **148.527.069**  |  **2.905.014**  |  **165.220**  |  **1.188.249**  |  **12.449.110**  |  **364.921.215**  |  **4.199.184**  |  **9.557.437**  |  **66.062.781**  |  **4.965.833**  |

**Annex 7**

|  |  |
| --- | --- |
|  | **TOR: Method of detection by number of cases per Member State 2018** |
| **MS** | **N** | **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** | 256 | 39 |   | 1 | 34 |   |   | 4 | 217 | 32 | 152 | 8 | 7 | 6 | 12 |
| **BG** | 6 | 5 | 1 | 3 | 1 |   |   |   | 1 |   | 1 |   |   |   |   |
| **CZ** | 94 | 0 |   |   |   |   |   |   | 94 | 5 | 60 | 1 |   | 27 | 1 |
| **DK** | 54 | 2 | 2 |   |   |   |   |   | 52 | 25 | 19 |   |   | 2 | 6 |
| **DE** | 1.509 | 95 |   | 11 | 81 | 1 |   | 2 | 1.414 | 115 | 623 | 12 | 278 | 363 | 23 |
| **EE** | 9 | 4 | 4 |   |   |   |   |   | 5 |   | 4 | 1 |   |   |   |
| **IE** | 36 | 10 |   |   | 10 |   |   |   | 26 | 3 | 5 | 1 | 11 | 2 | 4 |
| **EL** | 30 | 21 | 8 | 2 | 7 |   |   | 4 | 9 |   | 2 | 7 |   |   |   |
| **ES** | 314 | 44 | 3 | 6 | 28 | 6 |   | 1 | 270 | 99 | 49 | 10 | 75 | 33 | 4 |
| **FR** | 280 | 60 | 27 | 20 | 13 |   |   |   | 220 | 63 | 95 | 39 |   | 23 |   |
| **HR** | 16 | 12 | 4 | 1 | 7 |   |   |   | 4 | 2 | 2 |   |   |   |   |
| **IT** | 104 | 38 | 2 | 4 | 11 | 17 | 4 |   | 66 | 8 | 33 | 9 |   | 11 | 5 |
| **CY** | 4 | 1 |   |   |   |   |   | 1 | 3 |   | 3 |   |   |   |   |
| **LV** | 18 | 7 | 7 |   |   |   |   |   | 11 | 1 | 8 |   | 1 | 1 |   |
| **LT** | 45 | 20 |   | 3 | 17 |   |   |   | 25 |   | 24 | 1 |   |   |   |
| **LU** |   | 0 |   |   |   |   |   |   | 0 |   |   |   |   |   |   |
| **HU** | 11 | 1 |   | 1 |   |   |   |   | 10 | 3 | 7 |   |   |   |   |
| **MT** |   | 0 |   |   |   |   |   |   | 0 |   |   |   |   |   |   |
| **NL** | 503 | 18 | 5 | 10 |   |   | 2 | 1 | 485 | 178 | 250 |   |   | 57 |   |
| **AT** | 47 | 3 | 1 | 1 | 1 |   |   |   | 44 | 3 | 27 |   |   | 8 | 6 |
| **PL** | 149 | 41 | 14 | 25 | 1 |   |   | 1 | 108 | 12 | 79 | 11 |   | 6 |   |
| **PT** | 37 | 3 |   | 1 | 2 |   |   |   | 34 | 7 | 5 | 22 |   |   |   |
| **RO** | 25 | 3 | 1 |   | 2 |   |   |   | 22 |   |   | 22 |   |   |   |
| **SI** | 13 | 8 | 6 |   | 2 |   |   |   | 5 | 3 | 2 |   |   |   |   |
| **SK** | 11 | 5 | 3 |   | 1 |   | 1 |   | 6 | 1 | 2 | 3 |   |   |   |
| **FI** | 32 | 5 | 5 |   |   |   |   |   | 27 | 21 | 1 |   |   | 5 |   |
| **SE** | 151 | 1 | 1 |   |   |   |   |   | 150 | 2 | 107 | 1 |   | 40 |   |
| **UK** | 809 | 27 | 26 | 1 |   |   |   |   | 782 | 3 | 505 | 1 |   | 273 |   |
| **Total** | **4.563** | **473** | **120** | **90** | **218** | **24** | **7** | **14** | **4.090** | **586** | **2.065** | **149** | **372** | **857** | **61** |

**Annex 8**

|  |  |
| --- | --- |
|  | **TOR: Method of detection by established and estimated amounts per Member State 2018** |
| **MS** | **ALL** | **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** | 42.770.603 | 35.939.701 |   | 55.152 | 35.000.383 |   |   | 884.166 | 6.830.902 | 1.283.529 | 2.080.170 | 770.359 | 918.866 | 1.571.027 | 206.951 |
| **BG** | 601.490 | 542.270 | 102.519 | 420.282 | 19.470 |   |   |   | 59.220 |   | 59.220 |   |  |   |   |
| **CZ** | 4.696.506 | 0 |   |   |   |   |   |   | 4.696.506 | 66.084 | 3.542.995 | 24.571 |  | 976.339 | 86.517 |
| **DK** | 7.401.412 | 167.285 | 167.285 |   |   |   |   |   | 7.234.128 | 1.595.050 | 678.584 |   |  | 85.814 | 4.874.680 |
| **DE** | 107.827.233 | 18.731.575 |   | 947.378 | 17.655.517 | 27.257 |   | 101.423 | 89.095.658 | 2.836.590 | 55.461.751 | 494.061 | 13.450.216 | 16.062.648 | 790.391 |
| **EE** | 677.107 | 568.102 | 568.102 |   |   |   |   |   | 109.005 |   | 79.500 | 29.506 |  |   |   |
| **IE** | 4.615.501 | 1.497.154 |   |   | 1.497.154 |   |   |   | 3.118.347 | 1.117.561 | 213.138 | 61.195 | 193.605 | 25.777 | 1.507.071 |
| **EL** | 6.480.744 | 5.205.677 | 1.488.575 | 102.060 | 3.269.315 |   |   | 345.727 | 1.275.067 |   | 1.017.585 | 257.482 |  |   |   |
| **ES** | 33.934.611 | 3.906.486 | 773.130 | 305.523 | 2.221.349 | 546.423 |   | 60.061 | 30.028.125 | 6.350.998 | 7.694.292 | 347.996 | 12.140.670 | 3.389.466 | 104.703 |
| **FR** | 96.151.343 | 80.276.451 | 1.739.393 | 76.410.491 | 2.126.567 |   |   |   | 15.874.892 | 1.991.353 | 6.942.752 | 6.424.857 |  | 515.930 |   |
| **HR** | 1.102.842 | 1.028.297 | 524.748 | 75.358 | 428.190 |   |   |   | 74.545 | 15.492 | 59.053 |   |  |   |   |
| **IT** | 9.827.329 | 5.800.213 | 1.032.630 | 117.613 | 434.814 | 3.918.076 | 297.080 |   | 4.027.116 | 407.879 | 2.632.038 | 540.288 |  | 367.481 | 79.429 |
| **CY** | 70.088 | 12.878 |   |   |   |   |   | 12.878 | 57.210 |   | 57.210 |   |  |   |   |
| **LV** | 1.072.073 | 779.838 | 779.838 |   |   |   |   |   | 292.235 | 1.032 | 261.033 |   | 19.790 | 10.381 |   |
| **LT** | 5.125.206 | 1.900.284 |   | 150.623 | 1.749.661 |   |   |   | 3.224.922 |   | 3.201.408 | 23.514 |  |   |   |
| **LU** |   | 0 |   |   |   |   |   |   | 0 |   |   |   |  |   |   |
| **HU** | 1.238.194 | 771.268 |   | 771.268 |   |   |   |   | 466.926 | 180.001 | 286.925 |   |  |   |   |
| **MT** |   | 0 |   |   |   |   |   |   | 0 |   |   |   |  |   |   |
| **NL** | 130.744.804 | 2.365.801 | 63.852 | 1.990.760 |   |   | 199.770 | 111.419 | 128.379.003 | 10.093.459 | 112.580.145 |   |  | 5.705.399 |   |
| **AT** | 2.184.744 | 87.272 | 21.583 | 35.046 | 30.643 |   |   |   | 2.097.472 | 44.661 | 1.280.611 |   |  | 566.508 | 205.693 |
| **PL** | 8.193.145 | 2.239.388 | 1.351.516 | 812.583 | 29.293 |   |   | 45.995 | 5.953.757 | 1.922.496 | 2.965.613 | 853.102 |  | 212.546 |   |
| **PT** | 9.398.614 | 1.604.104 |   | 1.287.255 | 316.848 |   |   |   | 7.794.511 | 125.620 | 131.245 | 7.537.646 |  |   |   |
| **RO** | 2.425.741 | 50.386 | 9.851 |   | 40.535 |   |   |   | 2.375.356 |   |   | 2.375.356 |  |   |   |
| **SI** | 969.765 | 405.956 | 307.307 |   | 98.649 |   |   |   | 563.809 | 528.329 | 35.479 |   |  |   |   |
| **SK** | 550.903 | 115.016 | 57.532 |   | 38.821 |   | 18.664 |   | 435.887 | 10.020 | 27.950 | 397.916 |  |   |   |
| **FI** | 2.945.510 | 267.571 | 267.571 |   |   |   |   |   | 2.677.938 | 2.544.674 | 10.365 |   |  | 122.899 |   |
| **SE** | 5.963.715 | 33.964 | 33.964 |   |   |   |   |   | 5.929.751 | 30.037 | 4.889.122 | 9.966 |  | 1.000.626 |   |
| **UK** | 127.971.890 | 937.725 | 917.423 | 20.302 |   |   |   |   | 127.034.165 | 211.156 | 97.694.544 | 16.171 |  | 29.112.293 |   |
| **Total** | **614.941.111** | **165.234.661** | **10.206.818** | **83.501.694** | **64.957.210** | **4.491.756** | **515.514** | **1.561.670** | **449.706.450** | **31.356.019** | **303.882.729** | **20.163.986** | **26.723.146** | **59.725.134** | **7.855.435** |

**Annex 9**

|  |  |
| --- | --- |
|  | **TOR: Recovery rates (RR) per Member State 2018** |
| **MS** | **Fraudulent** | **Non-fraudulent** |
|  | **Established amount** | **Recovered amount** | **RR** | **Established amount** | **Recovered amount** | **RR** |
|  | EUR | EUR | % | EUR | EUR | % |
| **BE** | 15.655.295 | 6.217.864 | 40% | 6.388.963 | 5.082.783 | 80% |
| **BG** | 542.270 | 37.982 | 7% | 59.220 | 59.220 | 100% |
| **CZ** | 0 | 0 | 0% | 4.696.506 | 4.467.278 | 95% |
| **DK** | 167.285 | 167.285 | 100% | 7.234.128 | 5.963.882 | 82% |
| **DE** | 18.731.575 | 7.384.649 | 39% | 89.095.658 | 77.552.906 | 87% |
| **EE** | 568.102 | 0 | 0% | 109.005 | 89.986 | 83% |
| **IE** | 0 | 0 | 0% | 3.118.347 | 1.933.034 | 62% |
| **EL** | 3.158.656 | 19.839 | 1% | 1.275.067 | 258.493 | 20% |
| **ES** | 1.734.150 | 307.085 | 18% | 30.028.125 | 22.104.520 | 74% |
| **FR** | 78.879.029 | 77.202.388 | 98% | 15.874.892 | 6.757.214 | 43% |
| **HR** | 1.028.297 | 455.642 | 44% | 74.545 | 74.545 | 100% |
| **IT** | 4.760.274 | 489.595 | 10% | 4.027.116 | 2.512.032 | 62% |
| **CY** | 12.878 | 0 | 0% | 57.210 | 57.210 | 100% |
| **LV** | 779.838 | 0 | 0% | 292.235 | 260.684 | 89% |
| **LT** | 1.900.284 | 75.913 | 4% | 3.224.922 | 3.105.468 | 96% |
| **LU** | 0 | 0 | 0% | 0 | 0 | 0% |
| **HU** | 771.268 | 771.268 | 100% | 466.926 | 353.390 | 76% |
| **MT** | 0 | 0 | 0% | 0 | 0 | 0% |
| **NL** | 1.708.686 | 617.171 | 36% | 128.285.374 | 31.934.457 | 25% |
| **AT** | 87.272 | 21.583 | 25% | 2.097.472 | 1.823.922 | 87% |
| **PL** | 2.239.388 | 253.189 | 11% | 5.920.272 | 3.794.754 | 64% |
| **PT** | 1.552.960 | 265.705 | 17% | 7.794.511 | 3.453.500 | 44% |
| **RO** | 21.251 | 21.251 | 100% | 2.375.356 | 767.342 | 32% |
| **SI** | 405.956 | 405.956 | 100% | 563.809 | 563.809 | 100% |
| **SK** | 115.016 | 57.484 | 50% | 435.887 | 261.647 | 60% |
| **FI** | 267.571 | 231.403 | 86% | 2.677.938 | 2.509.783 | 94% |
| **SE** | 0 | 0 | 0% | 5.929.751 | 5.735.508 | 97% |
| **UK** | 127.163 | 0 | 0% | 127.020.827 | 43.347.909 | 34% |
| **Total** |  **135.214.464**  |  **95.003.251**  | **70%** |  **449.124.059**  |  **224.825.275**  | **50%** |

**Annex 10**

|  |  |
| --- | --- |
|  | **TOR: Examination of write-off cases in 2018** |
| **MS** | **Acceptance** | **Reference to Article 17.2 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** |
| **AT** | 1 | 441.832  | 1 | 373.654 | 1 | 1.305.392 | 1 | 420.656 | 4 | 1 | 2.541.534 |
| **BE** |   |   | 1 | 4.109.417 |   |   |   |   | 1 |   | 4.109.417 |
| **CZ** | 1 | 55.146  |   |   |   |   |   |   | 1 |   | 55.146 |
| **DE** | 23 | 8.533.751  | 19 | 9.641.035 | 42 | 17.922.559 |   |   | 84 | 24 | 36.097.345 |
| **DK** |   | 12.775  | 1 | 147.221 |   |   |   |   | 1 |   | 159.996 |
| **ES** | 3 | 391.116  | 6 | 1.847.299 | 8 | 6.483.993 |   |   | 17 |   | 8.722.407 |
| **FI** |   |   |   | 237 | 3 | 436.434 |   |   | 3 |   | 436.671 |
| **FR** |   |   |   |   | 3 | 277.121 |   |   | 3 |   | 277.121 |
| **GR** | 1 | 2.003.201  | 1 | 301.349 | 3 | 10.300.535 |   |   | 5 | 2 | 12.605.085 |
| **HU** |   |   | 1 | 3.394.774 | 1 | 547.704 |   |   | 2 | 1 | 3.942.477 |
| **IT** | 4 | 940.198  | 2 | 414.685 | 12 | 19.441.590 |   |   | 18 | 9 | 20.796.473 |
| **LT** |   |   |   |   | 1 | 973.491 |   |   | 1 |   | 973.491 |
| **LV** |   |   | 1 | 95.760 | 3 | 765.352 |   |   | 4 |   | 861.112 |
| **NL** |   |   |   |   | 19 | 12.680.515 |   |   | 19 |   | 12.680.515 |
| **PL** | 1 | 116.628  |   |   | 4 | 1.414.678 |   |   | 5 | 1 | 1.531.306 |
| **PT** |   |   |   |   |   |   | 1 | 622.955 | 1 | 1 | 622.955 |
| **RO** | 4 | 2.425.052  |   | 665 | 15 | 4.345.860 |   |   | 19 | 7 | 6.771.578 |
| **Total** |  **38**  |  **14.919.700**  |  **33**  |  **20.326.096**  |  **115**  |  **76.895.224**  |  **2**  |  **1.043.611**  |  **188**  |  **46**  |  **113.184.631**  |

**ANNEX 11**

*Classification of cases in relation to CAP expenditure*

The analysis of irregularities in Section 3 'Common Agricultural Policy' separately focuses on 'rural development' (RD) and direct 'support to agriculture' (SA).

To this purpose, cases are classified as:

* RD, where they concern only expenditure on budget lines/posts that contain the codes '0504', 'B01-4' or 'B01-50' (RD budget codes). [[11]](#footnote-11) In addition, it has been considered that there are 168 irregularities where the field 'Fund' makes reference to the EARDF (European Agriculture Rural Development Fund), even if the budget line/post is not specified.

As from 2004, expenditure on rural development has been grouped under the chapter 0504. Within this context, the titles B050405 (as from 2007) and B050460 (as from 2014) refer to the EAFRD funding. [[12]](#footnote-12)

Between 2000 and 2003, rural development was financed through the budget line B01-4 (EAGGF Guarantee Section). The appropriations included in this Title were intended to cover expenditure on two types of rural development measures: (1) accompanying measures introduced in 1992 supplemented by less-favoured-areas scheme (2) modernisation and diversification schemes.

Before 2000, there was no explicit reference to rural development in the budget, but line B01-50 (EAGGF Guarantee Section) covered expenditure on accompanying measures, similar to B01-4 in 2000-2003.

* SA, where the budget line/post does not contain RD budget codes, but only SA budget codes (all the others). [[13]](#footnote-13) In addition, it has been considered that there are 112 irregularities where the field 'Fund' makes reference to the EAGF (European Agriculture Guarantee Fund) 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. In order to find the best possible classification for these cases, the following hypothesis has been made. As from 2007, the EARDF has been 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 has been considered SA (80 cases). In case also the budget year is not mentioned, but the programming period mentioned in the relevant field is 2007-2013 or 2014-2020, the irregularity has also been considered SA (2 cases). The other irregularities (30 cases) have been classified as UNCLEAR.

SA includes expenditure in relation to intervention in agricultural markets and direct payments to farmers.

* 'SA/RD', where they concern both types of expenditure (RD and SA budget codes)[[14]](#footnote-14). In addition, it has been considered that there are 116 irregularities where the field 'Fund' makes reference 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). In order to find the best possible classification for these cases, the following hypothesis has been made. As from 2007, the EARDF has been created to finance all measures concerning rural development. Consequently, if the budget years associated to an irregularity are from 2007 onwards only , it seems to be 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 has been considered SA/RD (66 cases). In case also the budget year is not mentioned, but the programming period is 2007-2013 or 2014-2020, the irregularity has also been considered SA/RD (36 cases). The other irregularities (14 cases) have been classified as UNCLEAR.
* 'UNCLEAR', where information has not been considered enough to assign the case to RD, SA or SA/RD (see above)**.**

Some parts of the analysis in Section 3 'Common Agricultural Policy' separately focus on 'Interventions in agricultural markets' (or 'Market measures') and 'Direct payments'.

In fact, as from 2006, support to agriculture is structured in the EU Budget along 2 main chapters:[[15]](#footnote-15)

* Chapter 0502 'Interventions in agricultural markets';
* Chapter 0503 'Direct aids'.

To the purpose of the analysis in Section 3 'Common Agricultural Policy', cases are classified:

* 'Market measures', where they concern expenditure on Budget lines/posts which contain the code '502', as from the 2006 EU Budget (the same case may concern also other areas, including rural development or direct payments);
* 'Direct payments', where they concern expenditure on Budget lines/posts which contain the code '503', as from the 2006 EU Budget (the same case may concern also other areas, including rural development or market measures).

Cases concerning only expenditure in 2005 or before are not considered 'Market measures' or 'direct payments'. Before 2006, the EU Budget had a different structure:

* In 2004 and 2005, the chapters 0502 and 0503 referred respectively to 'Plant products' and 'Animal products';
* Before 2004, subsection B01 covered the Guarantee section of the EAGG fund and was split, among others[[16]](#footnote-16), in:
	+ B01-1 'Plant products';
	+ B01-2 'Animal products'.

**ANNEX 12**

*Categories of irregularities and related types*

*Tables NR9-NR12*

The categories used in Tables NR9-NR12 are as follows:

|  |  |  |
| --- | --- | --- |
| **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 |
| T13/02: Falsified accounts |
| T13/03: Accounts not presented |
| T13/04: Absence of accounts |
| T13/05: Calculation errors |
| T13/06: Revenues not declared |
| T13/99: Other |
| T14 | Documentary proof | T14/00: Documents missing and/or not provided |
| T14/01: Documents incomplete |
| T14/02: Documents incorrect |
| T14/03: Documents provided too late |
| T14/04: Documents false and/or falsified |
| T14/99: Other |
| T15 | Product, species and/or land | T15/00: Over or under production |
| T15/01: Inexact composition |
| T15/02: Inexact origin |
| T15/03: Inaccurate value |
| T15/04: Inexact quantity |
| T15/05: Variation in quality or content |
| T15/06: Quantities outside permitted limits, quotas, thresholds |
| T15/07: Unauthorised substitution or exchange |
| T15/08: Unauthorised addition or mixture |
| T15/09: Unauthorised use |
| T15/10: Falsification of the product |
| T15/11: Incorrect storage or handling |
| T15/12: Fictitious use or processing |
| T15/13: Incorrect classification (incl. incorrect tariff heading) |
| T15/14: Overdeclaration and/or declaration of ficticious product, species and/or land |
| T15/99: Other |
| T16 | (Non-)action | T16/00: Action not implemented |
| T16/01: Action not completed |
| T16/02: Operation prohibited during the measure |
| T16/03: Failure to respect deadlines |
| T16/04: Irregular termination, sale or reduction |
| T16/05: Absence of identification, marking, etc. |
| T16/06: Refusal of control, audit, scrutiny etc. |
| T16/07: Control, audit, scrutiny etc. not carried out in accordance with regulations, rules, plan etc. |
| T16/08: Infringement of rules concerned with public procurement |
| T16/09: Infringements with regard to the cofinancing system |
| T16/10: Refusal to repay not spent or unduly paid amount |
| T165/99: Other |
| T17 | Movement | T17/00: Irregularities in connection with final destination (change of, non arrival at, etc.) |
| T17/01: Fictitious movement |
| T17/99: Other |
| T18 | Bankruptcy | T18/00: Legal persons - liquidation |
| T18/01: Legal persons - reorganisation to structure debt |
| T18/02: Natural persons - repayment plan |
| T18/03: Natural persons - repayment plan not possible |
| T18/99: Other |
| T19 | Ethics and integrity | T19/00: Conflict of interest |
| T19/01: Bribery - passive |
| T19/02: Bribery - active |
| T19/03: Corruption |
| T19/04: Corruption - passive |
| T19/05: Corruption - active |
| T19/99: Other irregularities concerning integrity and ethics |
| T40 | Public procurement (see annex Commission Decision C(2013)9527) | T40/01: Lack of publication of contract notice |
| T40/02: Artificial splitting of works/services/supplies contracts |
| T40/03: Non-compliance with - time limits for receipt of tenders; or - time limits for receipt of requests to participate |
| T40/04: Insufficient time for potential tenderers/candidates to obtain tender documentation |
| T40/05: Lack of publication of -extended time limits for receipt of tenders; or - extended time limits for receipt of requests to participate |
| T40/06: Cases not justifying the use of the negotiated procedure with prior publication of a contract notice |
| 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 |
| 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 |
| T40/09: Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents |
| T40/10: Selection criteria not related and proportionate to the subjectmatter of the contract |
| T40/11: Discriminatory technical specifications |
| T40/12: Insufficient definition of the subject-matter of the contract |
| T40/13: Modification of selection criteria after opening of tenders, resulting in incorrect acceptance of tenderers |
| T40/14: Modification of selection criteria after opening of tenders, resulting in incorrect rejection of tenderers |
| T40/15: Evaluation of tenderers/candidates using unlawful selection or award criteria |
| T40/16: Lack of transparency and/or equal treatment during evaluation |
| T40/17: Modification of a tender during evaluation |
| T40/18: Negotiation during the award procedure |
| T40/19: Negotiated procedure with prior publication of a contract notice with substantial modification of the conditions set out in the contract notice or tender specifications |
| T40/20: Rejection of abnormally low tenders |
| T40/21: Conflict of interest |
| T40/22: Substantial modification of the contract elements set out in the contract notice or tender specifications |
| T40/23: Reduction in the scope of the contract |
| T40/24: 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) |
| T40/25: Additional works or services exceeding the limit laid down in the relevant provisions |
| T40/99: Other |
| T50 | State aid | T50/01: Failure to notify State Aid |
| T50/02:Wrong aid scheme applied |
| T50/03:Misapplication of the aid scheme |
| T50/04:Monitoring requirements not fulfilled |
| T50/05:Reference investment not taken into account in the applicable aid scheme |
| T50/06:No consideration of revenue in the applicable aid scheme |
| T50/07:No respect of the incentive effect of the aid |
| T50/08:Aid intensity not respected |
| T50/09:De Minimis threshold exceeded |
| T50/99:Other State aid |
| T90 | Other | T90/99: Other irregularities |

*Tables CP23 and CP24*

The categories used in Tables CP23 and CP24 are built as follows:

* 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, T16/08
* State aid: T50

**ANNEX 13**

*Analysis of the sensitivity of FDR and IDR*

*Intervention in agricultural markets* and *direct payments*

In the main body of this Report reference is made to the FDR (Fraud Detection Rate) and the IDR (Irregularity Detection Rate) in relation to '*Intervention in agricultural markets'* and '*direct payments'.*

A part of the irregularities used for these calculations are not referred exclusively to a specific policy measure, because the same case may cover several budget posts referring to different measures. These 'mixed' cases have been included in their full financial amount in all policy measures affected.

FDR and IDR for '*Intervention in agricultural markets*' in Table NR14\_a below is calculated on the basis of the amounts of all the irregularities (fraudulent and non fraudulent) where this type of expenditure is involved (considering in full the 'mixed' cases, as explained above). The same applies with reference to FDR and IDR for *'direct payments*'. Table NR14\_a shows the outcome of these calculations.



As there are a number of '*intervention of agricultural markets*' cases that concern, at the same time, this type of expenditure and other measures, the total amounts (and the corresponding FDR and IDR) associated to '*intervention in agricultural markets*' are somehow inflated. The same applies with reference to '*direct payments*'.

An analysis is then warranted of how sensitive FDR and IDR are to the presence of these 'mixed' cases. As a first step, an assessment is required of the number of these 'mixed' cases, the nature of the related overlaps and the amounts involved. Fig. NR1-NR3 show the outcome of this assessment, respectively for cases reported as fraudulent, not reported as fraudulent and for all cases together.

Rural development

1,049

131 512 211

Intervention agri. markets

166

147 346 967

Direct payments

507

22 696 750

1

156 238

Mixed or unclear

5

40 977

41

3 400 437

2

1 956 428

***Fig. NR1: Irregularities and amounts reported as fraudulent by type of expenditure – 2014-2018***

Rural development

10 871

632 774 038

3

Intervention agri. markets

1 612

190 393 271

Direct payments

3 209

130 729 587

3

59 835

Mixed or unclear

128

4 568 272

214

17 754 239

***Fig. NR2: Irregularities and amounts not reported as fraudulent by type of expenditure – 2014-2018***

4

58 771

Rural development

11,920

764 286 249

Intervention agri. markets

1 778

337 740 238

Direct payments

3 716

153 426 337

4

216 073

Mixed or unclear

133

4 609 249

255

21 154 676

2

1 956 428

4

58 771

***Fig. NR3: Irregularities and amounts reported by type of expenditure – 2014-2018***

Table NR14\_b shows FDR and IDR where, for '*intervention in agricultural markets',* only the amounts related to cases that do not overlap with rural development or direct payments are included in the calculation (i.e.147 346 967, for the FDR). The same applies to '*direct payments*'.



Figures in Table NR14\_a represent the upper limit of FDR and IDR for '*intervention in agricultural markets*' or '*direct payments*', as they include amounts that are linked to irregularities or fraud related also to other types of expenditure.

Figures in Table NR14\_b represent the lower limit of FDR and IDR for '*intervention in agricultural markets*' or '*direct payments*', as they exclude part of the amounts of the 'mixed' cases that could be related to the relevant types of expenditure. [[17]](#footnote-17)

As FDR and IDR in Tables NR14\_a and NR14\_b are similar, it can be concluded that they are not significantly sensitive to this 'mixed' cases issue.

*Rural development (RD) and support to agriculture (SA)*

FDR and IDR for '*Support to agriculture*' ('SA') is calculated on the basis of the amounts (of the irregularities or fraud) related to cases where only this type of expenditure is involved. The same applies with reference to FDR and IDR for '*Rural development*' ('RD'). Table NR14\_c shows the outcome of this calculation.

There are a number of cases that have not been classified as 'pure' 'RD' or 'SA' cases. They are reported as 'mixed' cases (RD/SA) or unclear cases. This implies that the total amounts (and the corresponding FDR and IDR) associated to 'RD' are somehow underestimated. The same applies with reference to 'SA'.



An analysis is then warranted of how sensitive FDR and IDR are to the presence of these RD/SA 'mixed' cases and of unclear cases. As a first step, an assessment is required of the number of these 'mixed' or unclear cases and the amounts involved. Fig. NR4-NR6 show the outcome of this assessment, respectively for cases reported as fraudulent, not reported as fraudulent and for all cases together.

***Fig. NR4: Irregularities and amounts reported as fraudulent by type of expenditure – 2014-2018***

Support to agriculture

689

171 223 296

47

5 385 350

Rural development

1,049

131 512 211

Unclear

1

12 492

***Fig. NR5: Irregularities and amounts not reported as fraudulent by type of expenditure – 2014-2018***

322

 21 249 605

Rural development

10 871

632 774 038

Unclear

24

1 131 678

Support to agriculture

4 971

369 218 992

***Fig. NR6: Irregularities and amounts reported by type of expenditure – 2014-2018***

Unclear

25

1 144 170

369

26 634 955

Rural development

11 920

764 286 249

Support to agriculture

5 660

540 442 288

Table NR14\_d shows FDR and IDR where 'mixed' and unclear cases are added both for '*rural development*' and '*support to agriculture*'. In practice, for '*rural development*', also all the amounts related to 'mixed' and unclear cases are added to the amounts related to the 'pure' rural development cases (i.e. 5 385 350+12 492 for the FDR). The same applies to '*support to agriculture*'. Therefore, FDR and IDR in Table NR13\_d are somehow inflated and represent the upper limit.



As FDR and IDR in Tables NR14\_c and NR14\_d are similar, it can be concluded that they are not significantly sensitive to this 'mixed' cases issue.

**ANNEX 14**

*Full description of the Themes in Figures CP1-CP4*

**Priority 'Tourism'**

Promotion of natural assets

Protection and development of natural heritage

Other assistance to improve tourist services

**Priority 'Environmental protection and risk prevention'**

Management of household and industrial waste

Management and distribution of water (drinking water)

Water treatment (waste water)

Air quality

Integrated prevention and pollution control

Mitigation and adaptation to climate change

Rehabilitation of industrial sites and contaminated land

Promotion of biodiversity and nature protection (including Natura 2000)

Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)

Other measures to preserve the environment and prevent risks

ANNEX 15

**Legenda**

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 and 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 for 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





1. 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. [↑](#footnote-ref-1)
2. Turkey has been receiving pre-accession assistance since 2002. [↑](#footnote-ref-2)
3. Albania, Croatia, the Republic of North Macedonia, Serbia, Kosovo and Bosnia Herzegovina, Council Regulation (EC) No [2666/2000](http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi%21celexplus%21prod%21DocNumber&lg=en&type_doc=Regulation&an_doc=2000&nu_doc=2666) of 5 December 2000. [↑](#footnote-ref-3)
4. The EU-10 that joined European Union in 2004 received a Transition facility during 2004-2006. However the EU-2 received a Transition facility in 2007 which is regarded as a post-accession assistance. [↑](#footnote-ref-4)
5. Potential candidate countries were defined at the [Santa Maria da Feira European Council](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en0.htm) of 20 June 2000. [↑](#footnote-ref-5)
6. Following the entry into force of the Treaty of Lisbon, Delegations have become a part of the European External Action Service, with effect from 1 December 2010. [↑](#footnote-ref-6)
7. 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 966/2012PE/13/2018/REV/1, OJ L 193, 30.7.2018, p. 1–222 [↑](#footnote-ref-7)
8. Excluding administrative expenditure. Own calculation based on ABAC data. [↑](#footnote-ref-8)
9. Recovery items mean ‘recovery context’ elements in ABAC. There can be more recovery context elements associated to one recovery order issued. [↑](#footnote-ref-9)
10. ‘Irregularities reported as fraudulent’ are cases of recovery items qualified in the ABAC system as ‘OLAF notified’. [↑](#footnote-ref-10)
11. 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 (7 439 cases out of 11,920). In the category 'RD', also cases are included where the field 'Fund' was filled in as 'EAGF' and the budget line/post includes only RD budget codes (39 irregularities). [↑](#footnote-ref-11)
12. Chapter 504 is split in the following titles: 050401 'r.d. in the EAGGF – Guarantee section' (later with the addition 'Completion of earlier programme 2000-2006'), 050402 'r.d. in the EAGGF – Guidance section' (later with the addition 'Completion of earlier programme'), 050403 'Other measures', 050404 'Transitional instrument for the financing of r.d. by the EAGGF – Guarantee section for the new MS' (later with the addition 'Completion of earlier programmes 2004-2006), 050405 'r.d. financed by EAFRD (2007-2013)' (from 2007. As from 2014, it becomes 'completion of …'), 050460 'EAFRD (2014-2020)' (from 2014). [↑](#footnote-ref-12)
13. Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the Budget line/post includes only SA budget codes (3 386 cases out of 5 660). [↑](#footnote-ref-13)
14. 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 (258 out of 369 cases). [↑](#footnote-ref-14)
15. 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). [↑](#footnote-ref-15)
16. B01-3 covered "Ancillary expenditure", B01-6 "Monetary reserve". [↑](#footnote-ref-16)
17. This analysis takes into consideration the combination of '*intervention in agricultural markets*' (budget line B0502, since 2006 – see above) with '*rural development*' or with '*direct payments*' (budget line B0503, since 2006 – see above). This applied also to 'direct payments'. Nevertheless, there are also cases were '*direct payments*' is combined with other budget codes from years before 2006. Excluding also these cases would lower the indicators further. There are 14 such cases (accounting for EUR 1 118 235) for '*direct payments*'. There are no such cases for '*intervention in agricultural markets*'. So the impact is negligible. [↑](#footnote-ref-17)