

**Contents**

[5. PRE-ACCESSION POLICY 162](#_Toc45617988)

[Executive Summary 162](#_Toc45617989)

[5.1. Introduction 162](#_Toc45617990)

[5.2. Instruments for Pre-accession Assistance 163](#_Toc45617991)

[5.2.1. Before 2007: Pre-accession assistance 163](#_Toc45617992)

[5.2.2. 2007-2013: The Instrument for Pre-accession Assistance (IPA I) 163](#_Toc45617993)

[5.2.3. 2014 – 2020: The Instrument for Pre-accession (IPA II) 164](#_Toc45617994)

[5.3. General analysis 165](#_Toc45617995)

[5.3.1. Occurrence of Fraud 165](#_Toc45617996)

[5.3.2. Analysis by Instrument 166](#_Toc45617997)

[5.3.3. Analysis by Component 169](#_Toc45617998)

[5.3.4. Analysis by Country 172](#_Toc45617999)

[5.3.5. Profiles of Persons Involved 180](#_Toc45618000)

[6. Direct Management 183](#_Toc45618001)

[6.1. Introduction 183](#_Toc45618002)

[6.1.1. General analysis 183](#_Toc45618003)

[6.1.2. Five year analysis 2015-2019 184](#_Toc45618004)

[6.2. Specific analysis 185](#_Toc45618005)

[6.2.1. Recoveries according policy areas 185](#_Toc45618006)

[6.2.2. Recoveries according to legal entity residence 186](#_Toc45618007)

[6.2.3. Method of detection 187](#_Toc45618008)

[6.2.4. Types of irregularity 188](#_Toc45618009)

[6.2.5. Recovery 188](#_Toc45618010)

[TABLE of ABBREVIATIONS 190](#_Toc45618011)

[COUNTRY FACTSHEETS 193](#_Toc45618012)

[Belgium - Belgique/België 193](#_Toc45618013)

[Bulgaria - България 194](#_Toc45618014)

[Czech Republic - Česká republika 195](#_Toc45618015)

[Denmark - Danmark 196](#_Toc45618016)

[Germany - Deutschland 197](#_Toc45618017)

[Estonia - Eesti 198](#_Toc45618018)

[Ireland - Éire 199](#_Toc45618019)

[Greece - Ελλάδα 200](#_Toc45618020)

[Spain - España 201](#_Toc45618021)

[France 202](#_Toc45618022)

[Croatia - Hrvatska 203](#_Toc45618023)

[Italy - Italia 204](#_Toc45618024)

[Cyprus - Κύπρος 205](#_Toc45618025)

[Latvia - Latvija 206](#_Toc45618026)

[Lithuania - Lietuva 207](#_Toc45618027)

[Luxembourg 208](#_Toc45618028)

[Hungary - Magyarország 209](#_Toc45618029)

[Malta 210](#_Toc45618030)

[Netherlands - Nederland 211](#_Toc45618031)

[Austria - Österreich 212](#_Toc45618032)

[Poland - Polska 213](#_Toc45618033)

[Portugal 214](#_Toc45618034)

[Romania - România 215](#_Toc45618035)

[Slovenia - Slovenija 216](#_Toc45618036)

[Slovakia - Slovensko 217](#_Toc45618037)

[Finland – Suomi-Finland 218](#_Toc45618038)

[Sweden - Sverige 219](#_Toc45618039)

[United Kingdom 220](#_Toc45618040)

[*ANNEXES* 221](#_Toc45618041)

1. PRE-ACCESSION POLICY

Executive Summary

From 2015 to 2019, 721 irregularities (worth nearly EUR 64 million) were reported via the Irregularity Management System (IMS) relating to pre-accession funds - 31 related to the 2000-2006 Pre-accession assistance, 594 to Instrument for Pre-Accession (IPA) I and the remaining 96 to IPA II. Of these, 204 (worth about EUR 13 million) were reported in 2019. The number of irregularities reported annually has been increasing since 2016, while the Fraud Frequency Level (FFL) jumped to its highest level in five years in 2019 after steadily declining since at least 2015. No new irregularities related to PAA 2000-2006 were reported in 2019, the culmination of a steady downward trend in the number of irregularities reported regarding this programming period; the number of PAA irregularities peaked in 2008. The number of IPA I irregularities reported in 2019 was similar to 2018, following a spike in 2017. The IPA I financial amounts involved in 2019 were lower than 2018 (the highest amount reported thus far). The number of irregularities reported for IPA II, for which irregularities were first reported in 2017, quadrupled from 2018 to 2019 while their total value doubled. At the component level, general trends could not be discerned with regard to reporting over the past five years.

In 2019, only three countries reported fraudulent irregularities: North Macedonia, Serbia and Turkey. Of these, Turkey reported the highest FFL and Serbia the highest fraud amount level (FAL). Significantly, of the 51 fraudulent irregularities, 47 were reported by Turkey. Albania, Bulgaria, Croatia and Montenegro all reported non-fraudulent pre-accession irregularities in 2019. Three‑fourths of the 2019 irregularities were categorised as “other” indicating either that the IMS categories provided are insufficient, that Reporting Authorities require additional training on the use of this feature, or that Reporting Authorities do not value this aspect of IMS’ data collection and are therefore not categorising their irregularities. The other large categories are Documentary proof, (Non-) action and Request. Nearly half of the fraudulent irregularities reported listed legal entities as the “person involved”, a third listed natural persons – multiple persons involved were reported in less than 20% of the fraudulent irregularities reported. Most of the legal entities involved appear to be private companies, followed by sub-national governmental bodies.

Since 2015, IPARD has generally provided the highest number of irregularities by amount and number (both for IPA I and IPA II at the component level while Turkey has reported the highest number of irregularities by amount and number at the country level (nearly EUR 50 million and 414 irregularities, respectively).

* 1. Introduction

The European Union provides pre-accession assistance to candidate countries and potential candidates for Union membership in order to support them in meeting the accession criteria and bring their institutions and standards in line with the acquis.[[1]](#footnote-1) The current candidate countries are Albania, Montenegro, North Macedonia, Serbia and Turkey; potential candidates are Bosnia and Herzegovina and Kosovo[[2]](#footnote-2).

* 1. Instruments for Pre-accession Assistance
     1. Before 2007: Pre-accession assistance

Before 2007, the Union 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. The *SAPARD programme* supported agricultural and rural development. For the programme years 2002‑2006, Turkey was provided assistance under the specific pre-accession oriented framework of the *Pre‑Accession Financial Assistance for Turkey*. The *CARDS programme* was the main financial instrument of the Union’s Stabilisation and Association Process, which sought to promote stability in the Western Balkans and facilitate the region’s closer association with the Union. The countries that joined the European Union in 2004[[3]](#footnote-3) received a *Transition Facility* in 2004-06, as did Bulgaria and Romania in 2007-10. All pre-2007 programmes and projects have now been completed.[[4]](#footnote-4)

* + 1. 2007-2013: The Instrument for Pre-accession Assistance (IPA I)

For the period 2007-2013, the Union 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) with financial and technical help via the Instrument for Pre-accession Assistance (IPA I).[[5]](#footnote-5) IPA I funds built up the capacities of these countries throughout the accession process, resulting in progressive, positive developments in the region. IPA I had a budget of some EUR 11.5 billion and consisted of five components (see below). The IPA I Regulation expired on 31 December 2013; implementation of the instrument is still underway.[[6]](#footnote-6)

Coordinated by the Directorate-General for Neighbourhood & Enlargement Negotiations (DG NEAR), the five components of IPA I are: (i) transition assistance and institution building (TAIB)[[7]](#footnote-7); (ii) cross-border cooperation (CBC)[[8]](#footnote-8); (iii) regional development (transport, environment and economic development)[[9]](#footnote-9); (iv) human resource development (strengthening human capital and combatting exclusion)[[10]](#footnote-10); and (v) rural development[[11]](#footnote-11). European Union candidate countries were eligible for all five components; potential candidates were eligible only for the first two.[[12]](#footnote-12)

The policy and programming of IPA I consisted of [Multi-Annual Indicative Financial Framework](http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/planning-ipa_en.htm) 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) per country or per groups of countries (regional and horizontal programmes). The candidate countries also had to submit Strategic Coherence Frameworks and multi-annual 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 imitating closely its strategic documents, National Strategic Reference Framework and Operational Programmes, and management modes.

* + 1. 2014 – 2020: The Instrument for Pre-accession (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.[[13]](#footnote-13) The primary innovation of IPA II is its strategic focus on specific objectives, including political, economic and social development, strengthening beneficiaries’ ability to fulfil Union membership obligations and regional integration.[[14]](#footnote-14) The multiannual financial framework for 2014-2020 allocated EUR 11.7 billion for the instrument.[[15]](#footnote-15)

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 ability of the beneficiaries to fulfil (future) obligations stemming from Union membership by supporting progressive alignment with the Union 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 Union 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.[[16]](#footnote-16)

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 multi-annual 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*, 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 *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 managed, meaning that implementation tasks are delegated to the Member States.

* 1. General analysis

This analysis will focus on the 721 irregularities reported via IMS during the period 2015‑2019 relating to pre-accession funds. Of these, 31 arise out of funds distributed under the 2000-2006 Pre-Accession Assistance[[17]](#footnote-17), 594 arise out of funds distributed under IPA I[[18]](#footnote-18) and the remaining 96 out of IPA II[[19]](#footnote-19). A number of charts in this section [[20]](#footnote-20)illustrate data going back beyond the past five years, as indicated in the respective charts’ X-axes.

* + 1. Occurrence of Fraud

**The number of irregularities reported annually has been increasing since 2016; the fraud frequency level increased dramatically between 2018 and 2019.** Of the 721 irregularities reported between 2015 and 2019, 135 were reported as fraudulent. Table PA1 and Chart PA1 show the absolute number of fraudulent (orange) and non‑fraudulent (blue) irregularities reported in each of the past five years, along with the Fraud Frequency Level (“FFL” - grey line). While the number of irregularities reported has been rising steadily since 2016, there is a sharp uptick in the FFL reported during 2019. The data indicate a general downward trend from 2015 to 2018 and then a significant jump in 2019 to 25%.

Table PA 1: Number of irregularities reported and FFL, 2015-2019

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Irregularities reported as fraudulent | Irregularities  not reported as fraudulent | Fraud Frequency Level (FFL)i |
| 2015 | 26 | 102 | 20% |
| 2016 | 20 | 97 | 17% |
| 2017 | 18 | 106 | 15% |
| 2018 | 20 | 128 | 14% |
| 2019 | 51 | 153 | 25% |
| Total | **135** | **586** | **19%** |

i For details on the calculation of the FFL, 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-%20fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

Chart PA 1

* + 1. Analysis by Instrument

5.3.2.1 Pre-accession assistance 2000-2006 (PAA)

**No irregularities related to PAA 2000-2006 were reported in 2019.** Table PA2 shows the number of irregularities and associated financial amounts that have been reported during the past five years with reference to PAA 2000-2006. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA2 broadens the perspective by including all PAA 2000-2006 irregularities reported until 2019. As was already reported in previous PIF reports, the number of irregularities reported with regard to these funds has declined steadily for the last several years and hit zero in 2019.

Table PA 2: PAA, 2015-2019: Number of irregularities reported and financial amounts involved

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Fraudulent Irregularities** | | **Non-Fraudulent Irregularities** | | **Total** | |
| # | EUR | # | EUR | # | EUR |
| 2015 | 8 | 4,522,286 | 7 | 1,200,645 | 15 | 5,722,931 |
| 2016 | 1 | 262,634 | 6 | 286,894 | 7 | 549,528 |
| 2017 | 1 | 0 | 4 | 121,749 | 5 | 121,749 |
| 2018 | 4 | 578,332 | 0 | 0 | 4 | 578,332 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **14** | **5,363,251** | **17** | 1,609,288 | **31** | **6,972,539** |

Chart PA 2

* + - 1. Instruments for Pre-Accession I

**The number of irregularities related to IPA I reported in 2019 remained steady year‑on-year.** Table PA3 shows the number of irregularities and associated financial amounts that have been reported during the past five years with reference to IPA I. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA3 broadens the perspective by including all irregularities referring to IPA I reported until 2019. In 2019, the total number of IPA I irregularities reported was similar to 2018, interrupting an upward trend that began in 2015. There was a notable increase in the total number of fraudulent irregularities reported in 2019 compared with the previous four years – 39, compared with, on average, 16 per year (see Table PA3 and Chart PA3). This upswing can be attributed primarily to the number of irregularities reported by Turkey with reference to IPARD.

**The associated financial amounts in 2019 were similar to the previous year – lower than the peak recorded in 2017 but significantly higher than those of 2015-2016.** With regard to the 2017 peak in non-fraudulent financial amounts, of the EUR 14.6 million in non-fraudulent irregularities reported in 2017 under IPA I, the ten biggest cases concerned EUR 6.7 million (46%). Furthermore, five of the ten biggest non-fraudulent cases reported during the period 2015-2019 were reported in 2017, contributing to making this year exceptional in terms of financial amounts. The large jump in fraudulent irregularities between 2018 and 2019 can be attributed mainly to the reporting of Turkey, which reported 36 of the 39 fraudulent irregularities reported in 2019. In 2018, Turkey reported nine of the 12 reported fraudulent irregularities under IPA I.

Table PA 3: IPA I 2015-2019: Number of irregularities reported and financial amounts involved

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Fraudulent Irregularities** | | **Non-Fraudulent Irregularities** | | **Total** | |
| # | EUR | # | EUR | # | EUR |
| 2015 | 18 | 1,762,705 | 95 | 4,556,377 | 113 | 6,319,082 |
| 2016 | 19 | 336,328 | 91 | 6,981,821 | 110 | 7,318,149 |
| 2017 | 16 | 2,924,965 | 102 | 14,602,871 | 118 | 17,527,835 |
| 2018 | 12 | 1,176,328 | 115 | 9,842,979 | 127 | 11,651,358 |
| 2019 | 39 | 3,402,530 | 87 | 7,519,511 | 126 | 12,099,884 |
| **Total** | **104** | **9,602,856** | **490** | **43,503,558** | **594** | **54,916,309** |

Chart PA 3

* + - 1. Instruments for Pre-Accession II

**The number of fraudulent irregularities related to IPA II reported in 2019 and their associated financial amount jumped significantly relative to 2018.** Table PA4 shows number of irregularities and associated financial amounts that have been reported during the past five years with reference to IPA II. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA4 is a visualisation of the same data. Given that there are practically only two years of data with regard to IPA II irregularities, it is difficult to speak of trends (the first irregularity arising out of IPA II funding was reported in 2017, with an irregular amount of EUR 0). It is notable that, in comparison with 2018, the absolute number of irregularities – both fraudulent and non-fraudulent – and their total value jumped significantly. The number of fraudulent irregularities reported has tripled while the number of non-fraudulent ones quintupled. The ten biggest cases in 2019 represented 40% of the total irregular amounts reported for that year (see Table PA4 and Chart PA4, below).

Table PA 4: IPA II, 2015-2019: Number of irregularities reported and financial amounts involved

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Fraudulent Irregularities** | | **Non-Fraudulent Irregularities** | | **Total** | |
| # | EUR | # | EUR | # | EUR |
| 2015 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2017 | 1 | 0 | 0 | 0 | 1 | 0 |
| 2018 | 4 | 377,249 | 13 | 254,801 | 17 | 632,051 |
| 2019 | 12 | 417,899 | 66 | 759,945 | 78 | 1,177,844 |
| **Total** | **17** | **795,148** | **79** | **1,014,746** | **96** | **1,809,895** |

Chart PA 4

* + 1. Analysis by Component
       1. Pre-accession assistance 2000-2006 (PAA)

**No irregularities were reported with regard to any of the PAA 2000-2006 components in 2019.** Table PA5 shows the number of irregularities and associated financial amounts that have been reported during the past five years by component, with reference to PAA 2000‑2006. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA5 broadens the perspective and shows the same data, but including all irregularities referring to PAA 2000-2006, going beyond the past five years. With no irregularities reported in 2019, there is little to add to last year’s reporting on this subject.

Table PA 5: PAA, 2015-2019: Number of irregularities and financial amounts involved by Component

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ISPA | | PHARE | | SAPARD | |  | TIPAA | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |  | (#) | (EUR) |
| 2015 | 1 | 780,965 | 7 | 2,259,733 | 7 | 2,682,232 |  | 0 | 0 |
| 2016 | 1 | 39,000 | 3 | 101,351 | 3 | 409,177 |  | 0 | 0 |
| 2017 | 0 | 0 | 1 | 0 | 0 | 0 |  | 4 | 121,749 |
| 2018 | 0 | 0 | 1 | 23,528 | 1 | 8,744 |  | 2 | 546,060 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 |  | 0 | 0 |
| Totals | **2** | **819,965** | **12** | **2,384,612** | **11** | **3,100,153** |  | **6** | **667,809** |

Chart PA 5

* + - 1. *Instruments for Pre-Accession I*

**The components of IPA I have not followed similar trajectories over the past five years.** Table PA6 shows number of irregularities and involved financial amounts that have been reported during the past five years by component, with reference to IPA I. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA6 broadens the perspective by including all irregularities referring to IPA I reported until 2019. For the funds distributed via IPA I, the general trend with regard to both the number of irregularities reported and their total amounts over the past five years has been decreasing (CBC-IPA), increasing (HRD and IPARD), fluctuating (REGD) and steady (TAIB). IPARD has, since 2015, consistently shown the highest number of irregularities by amount and has steadily increased in the absolute number of irregularities reported. During the period 2015-2019, more than 90% of the irregularities concerning IPARD and the related financial amounts were reported by Turkey. Most of the rest were reported by Croatia.

Table PA 6: IPA I, 2015-2019: Number of irregularities and financial amounts involved by Component

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | CBC-IPA | | HRD | | IPARD | | REGD | | TAIB | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| 2015 | 49 | 725,135 | 8 | 506,749 | 36 | 2,941,225 | 5 | 494,508 | 15 | 1,651,465 |
| 2016 | 45 | 160,700 | 17 | 1,208,999 | 36 | 5,537,483 | 3 | 0 | 9 | 410,967 |
| 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 | 7,437,826 | 1 | 34,000 | 12 | 2,146,209 |
| 2019 | 0 | 0 | 25 | 163,435 | 82 | 9,558,114 | 10 | 47,194 | 9 | 1,153,297 |
| Total | **131** | **1,806,606** | **109** | **4,843,435** | **267** | **38,002,890** | **30** | **590,152** | **57** | **7,863,331** |

Chart PA 6

* + - 1. *Instruments for Pre-Accession II*

**Irregularity were reported under only three IPA II funds, of which IPARD has the highest number of irregularities and highest associated financial amount.** Table PA7 shows number of irregularities and associated financial amounts that have been reported during the past five years by component, with reference to IPA II. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA7 is a visualisation of this data. The trend of IPARD reporting the highest number of irregularities – in terms of both number and amount – has carried over to the IPA II funds as well, where IPARD accounts for around 84% of the reported irregularities and 94% of the irregular amounts reported. As such, Table PA7 is quite skewed by the IPARD numbers. Differently from IPA I, 60% of irregularities concerning IPARD were reported by North Macedonia, while the highest financial amounts were still reported by Turkey.

Table PA 7: IPA II, 2015-2019: Number of irregularities and financial amounts involved by Component

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | CBC-IPA | | HRD | | IPARD | | REGD | | TAIB | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| 2015 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2017 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| 2018 | 8 | 51,409 | 0 | 0 | 8 | 580,642 | 0 | 0 | 1 | 0 |
| 2019 | 2 | 66,186 | 0 | 0 | 72 | 1,111,658 | 2 | 0 | 2 | 0 |
| Total | **10** | **117,595** | **0** | **0** | **81** | **1,692,300** | **2** | **0** | **3** | **0** |

Chart PA 7

* + 1. Analysis by Country

*5.3.4.1 Fraud level for 2019*

**Only three countries reported fraudulent irregularities in 2019 – North Macedonia, Serbia and Turkey**. Turkey had the highest fraud level in terms of absolute numbers (FFL) whereas Serbia reported the highest rate in terms of irregular amounts (FAL), at 42% and 35%, respectively.

Table PA 8: Irregularities reported in 2019, involved financial amounts, FFL and FAL, by country

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Number of Irregularities | | | Amount of Irregularities (EUR) | | |
|  | Fraudulent | Non-Fraud | FFL i | Fraudulent | Non-Fraud | FAL i |
| AL | 0 | 3 | 0% | 0 | 0 | n/a |
| BG | 0 | 2 | 0% | 0 | 66,186 | 0% |
| HR | 0 | 2 | 0% | 0 | 9,081 | 0% |
| ME | 0 | 27 | 0% | 0 | 70,418 | 0% |
| MK | 2 | 47 | 4% | 26,183 | 323,459 | 7% |
| RS | 2 | 7 | 22% | 399,098 | 754,199 | 35% |
| TR | 47 | 65 | 42% | 3,395,147 | 7,056,113 | 32% |
| Total | **51** | **153** | **25%** | **3,820,428** | **8,279,456** | **32%** |

i 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-%20fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

*5.3.4.2 Irregularity Typology for 2019*

**The most frequently reported irregularity categories were *Other*, *Documentary Proof* and *(Non-)action*.** Nearly all of the irregularities reported for 2019 are categorised per Annex 13 of this report. While most irregularities are categories as a single type, some have multiple – up to six – categories. Of the general categories, the most frequently reported were *Other*, *Documentary Proof* and *(Non-)action*.

Table PA 9: Number of irregularities where a category of violation was mentioned

|  |  |
| --- | --- |
| Category | Irregularities (#) |
| Request | 26 |
| Beneficiary | 1 |
| Accounts and records | 11 |
| Documentary proof | 73 |
| Product, species and/or land | 2 |
| (Non-)action | 40 |
| Movement | 1 |
| Ethics and integrity | 3 |
| Public procurement | 8 |
| Other | 150 |

**The most frequently reported sub-categories (types) are *Other Irregularities* (45%), *Action Not Implemented* (11%), and *Documents Missing and/or Not Provided* (10%).** Table PA10 has the complete list of reported types by the reporting state.

Table PA 10: Number of irregularities where a type of violation was mentioned, by country

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | Type | AL | BG | HR | ME | MK | RS | TR | Ttl | % |
| Request | Incorrect or incomplete request for aid |  |  |  | 1 |  |  |  | **1** | 0% |
| Product, species, project and/or activity not eligible for aid |  |  | 1 | 24 |  |  |  | **25** | 7% |
| Beneficiary | Operator/beneficiary not having the required quality |  |  |  |  |  | 1 |  | **1** | 0% |
| Accounts and records | Incomplete accounts |  |  |  |  |  |  | 1 | **1** | 0% |
| Incorrect accounts |  |  |  |  |  | 1 |  | **1** | 0% |
| Accounts not presented |  |  |  |  |  |  | 5 | **5** | 1% |
| Calculation errors |  |  |  |  |  | 0 | 5 | **5** | 1% |
| Documentary proof | Documents missing and/or not provided |  |  |  | 3 |  | 4 | 26 | **33** | 10% |
| Documents incomplete |  |  |  | 6 |  | 1 |  | **7** | 2% |
| Documents incorrect |  |  |  | 7 |  | 2 | 1 | **10** | 3% |
| Documents false and/or falsified |  |  |  |  | 1 |  | 32 | **33** | 9% |
| Other |  |  |  |  |  |  | 2 | **2** | 1% |
| Product, species and/or land | Inexact origin |  |  |  |  |  |  | 1 | **1** | 0% |
| Variation in quality or content |  | 1 |  |  |  |  |  | **1** | 0% |
| (Non-)action | Action not implemented |  |  |  |  |  | 2 | 35 | **37** | 11% |
| Action not completed |  |  |  |  |  | 2 | 3 | **5** | 1% |
| Failure to respect deadlines |  |  |  |  |  | 2 |  | **2** | 1% |
| Movement | Irregularities in connection with final destination |  |  |  |  |  |  | 1 | **1** | 0% |
| Ethics and integrity | Conflict of interest |  |  | 1 |  |  |  | 2 | **3** | 1% |
| Public procurement | Artificial splitting of works/services/supplies contracts |  |  |  |  |  | 1 |  | **1** | 0% |
| Failure to state |  | 1 |  |  |  |  |  | **1** | 0% |
| Selection criteria not related and proportionate to the subject matter of the contract |  |  |  |  |  | 1 |  | **1** | 0% |
| Lack of transparency and/or equal treatment during evaluation |  |  |  |  | 1 | 1 |  | **2** | 1% |
| Substantial modification of the contract elements |  |  |  |  |  | 1 |  | **1** | 0% |
| Award of additional works/services/supplies contracts |  |  |  |  |  | 2 |  | **2** | 1% |
| Other |  |  |  |  |  | 1 | 1 | **2** | 0% |
| Other | Other irregularities |  |  |  |  | 46 |  | 104 | **150** | 45% |
|  | Blank | 3 |  |  |  | 1 | 1 |  | **4** | 1% |

*5.3.4.3 Irregularities by Country*

*5.3.4.3.1 Pre-accession assistance 2000-2006 (PAA)*

**Only three countries have reported irregularities relating to PAA 2000-2006 funding in the past five years.** Table PA11 shows the number of irregularities and associated financial amounts that have been reported during the past five years by country, with reference to PAA 2000-2006. The figures are split between irregularities reported as fraudulent and those not reported as such. Chart PA8 broadens the perspective by including all irregularities referring to PAA 2000‑2006 reported until 2019. In the past five years, only Bulgaria, Romania and Turkey have reported irregularities relating to PAA 2000-2006 funding. While the largest amounts (both in terms of numbers and financial amounts) were reported by Romania, these arise from irregularities reported in 2015. In the past three years, 95% of the irregular amounts reported were reported by Turkey; of the nine irregularities reported in the past three years, six were reported by Turkey and three by Romania.

Table PA 11: PAA, 2015-2019: Number of irregularities and financial amounts involved by Country

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Bulgaria | | Romania | | Turkey | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| 2015 | 2 | 816,903 | 13 | 4,906,028 | 0 | 0 |
| 2016 | 3 | 101,351 | 4 | 448,177 | 0 | 0 |
| 2017 | 0 | 0 | 1 | 0 | 4 | 121,749 |
| 2018 | 0 | 0 | 2 | 32,272 | 2 | 546,060 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | **5** | **918,255** | **20** | **5,386,476** | **6** | **667,809** |

Chart PA 8: PAA: Number of irregularities and financial amounts involved by country (note that the data has been spread across two graphs for the sake of legibility – note that the graphs’ scales are not identical)

*5.3.4.3.2 Instruments for Pre-Accession I Irregularities by Country (2015-2019)*

**Over the past five years, ten countries have reported irregularities regarding projects funded via IPA I.** In order to make these data more easily comprehensible, the charts and tables below are split between Member States and non-Member States. Tables PA12 and PA13 show number of irregularities and involved financial amounts that have been reported during the past five years by country, with reference to IPA I. The figures are split between irregularities reported as fraudulent and those not reported as such. Charts PA9 and PA10 broaden the perspective by including all irregularities referring to IPA I reported until 2019.

**Of the Member States, only Croatia reported IPA I irregularities in 2019** – two irregularities, both at relatively negligible amounts. All irregularities reported during 2015‑2019 by Bulgaria, Greece, Italy and Romania concerned CBC-IPA. For Croatia, they are evenly split between CBC-IPA and IPARD, with the latter involving most of the financial amounts. The remaining 15% of the irregularities reported by Croatia covered REGD, HRD or TAIB. As demonstrated by Chart PA9, there has been a steady downwards trend in the number of irregularities reported by the Member States over the past five years. However, both Croatia and Romania show a spike in irregular financial amounts reported in 2017.

Table PA 12: IPA I, 2015-2019: Number of irregularities and financial amounts involved by Member State

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Bulgaria** | | **Greece** | | **Croatia** | | **Italy** | | **Romania** | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| **2015** | 27 | 78,754 | 0 | 0 | 25 | 717,492 | 3 | 553,935 | 1 | 29,067 |
| **2016** | 31 | 85,483 | 0 | 0 | 9 | 165,788 | 0 | 0 | 0 | 0 |
| **2017** | 15 | 20,932 | 1 | 41,681 | 10 | 1,368,047 | 0 | 0 | 1 | 649,636 |
| **2018** | 9 | 23,405 | 2 | 148,364 | 7 | 103,600 | 0 | 0 | 0 | 0 |
| **2019** | 0 | 0 | 0 | 0 | 2 | 9,081 | 0 | 0 | 0 | 0 |
| **Total** | **82** | **208,575** | **3** | **190,045** | **53** | **2,364,008** | **3** | **553,935** | **2** | **678,704** |

Chart PA 9

**For non-Member States, there are no easily discernible patterns regarding the reporting of IPA I irregularities during the period 2015-2019**. Turkey consistently reports the largest number of irregularities and the highest financial amounts of these countries, whereas Albania and North Macedonia have consistently reported the lowest number of irregularities and financial amounts, with Albania not monetising any of its reported irregularities at all. For Montenegro, the irregularities were evenly split between HRD and REGD. For Serbia 60% of irregularities were related to CBC-IPA and the rest to TAIB. For Turkey, 65% of the irregularities and 75% of the financial amounts concerned IPARD. Most of the remaining irregularities were related either to HRD (22%) or to TAIB (10%)

Table PA 13: IPA I, 2015-2019: Number of irregularities and financial amounts involved by country

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Albania** | | **Montenegro** | | **North Macedonia** | | **Serbia** | | **Turkey** | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| **2015** | 1 | 0 | 0 | 0 | 0 | 0 | 3 | 35,309 | 53 | 4,904,525 |
| **2016** | 0 | 0 | 0 | 0 | 4 | 6,500 | 12 | 71,130 | 54 | 6,989,247 |
| **2017** | 0 | 0 | 9 | 0 | 1 | 27,950 | 1 | 22,388 | 80 | 15,397,202 |
| **2018** | 0 | 0 | 5 | 36,647 | 1 | 0 | 2 | 0 | 101 | 10,707,292 |
| **2019** | 1 | 0 | 27 | 70,418 | 1 | 26,183 | 8 | 1,153,297 | 87 | 9,663,060 |
| **Total** | **2** | **0** | **41** | **107,065** | **7** | **60,633** | **26** | **1,282,124** | **375** | **47,661,326** |

Chart PA 10

*5.3.4.3.3 Instruments for Pre-Accession II Irregularities by Country*

**Financial amounts relating to IPA II irregularities were only reported by Bulgaria, North Macedonia and Turkey**. The financial amounts North Macedonia reported in 2019 were approximately ten times greater than the sum of the amounts the country reported in the preceding four years under both IPA I and II. While Turkey has reported the largest sum of irregular financial amounts under IPA II so far, North Macedonia reported the highest number of irregularities. Table PA14 and Chart PA11 provide further detail. Nearly all irregularities reported by North Macedonia and Turkey concerned IPARD (two cases were related to REGD), while Serbia reported more on CBC-IPA (only one case on IPARD) and Albania and Montenegro exclusively on TAIB. Bulgaria reported only irregularities related to CBC-IPA, as it is a Member State.

Table PA 14: IPA II, 2015-2019: Number of irregularities and financial amounts involved by Country

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Albania** | | **Bulgaria** | | **Montenegro** | | **North Macedonia** | | **Serbia** | | **Turkey** | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| **2015** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2016** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2017** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| **2018** | 0 | 0 | 5 | 51,409 | 1 | 0 | 1 | 0 | 3 | 0 | 7 | 580,642 |
| **2019** | 2 | 0 | 2 | 66,186 | 0 | 0 | 48 | 323,459 | 1 | 0 | 25 | 788,199 |
| **Total** | **2** | **0** | **7** | **117,595** | **1** | **0** | **49** | **323,459** | **4** | **0** | **33** | **1,368,841** |

Chart PA 11

*5.3.4.4 Totals for each Pre-Accession Component by Country*

This section provides the total number of irregularities reported and their financial amounts for each pre-accession component from its inception until 2019.

**For PAA 2000-2006, the largest number of irregularities and the highest associated amounts were reported with regard to SAPARD.** Romania reported the largest number of SAPARD-related irregularities and the highest associated amounts.

Table PA 15: Total Irregularities reported under Pre-accession assistance 2000-2006 components

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | CARDS | | ISPA | | PHARE | | SAPARD | | TIPAA | | TF | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| BG | 0 | 0 | 57 | 55,580,347 | 278 | 22,966,994 | 318 | 59,448,081 | 0 | 0 | 1 | 240,000 |
| CY | 0 | 0 | 0 | 0 | 5 | 23,807 | 0 | 0 | 0 | 0 | 0 | 0 |
| CZ | 0 | 0 | 1 | 830,283 | 33 | 1,082,102 | 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 | 1,423,704 | 5 | 1,282,804 | 0 | 0 | 0 | 0 |
| HU | 0 | 0 | 0 | 0 | 47 | 2,200,681 | 62 | 3,989,752 | 0 | 0 | 0 | 0 |
| LT | 0 | 0 | 7 | 2,332 | 22 | 690,871 | 17 | 4,711,726 | 0 | 0 | 4 | 1,021,916 |
| LV | 0 | 0 | 0 | 0 | 19 | 1,796,910 | 20 | 859,979 | 0 | 0 | 1 | 44,874 |
| 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 | 5,951,108 | 0 | 0 | 2 | 45,800 |
| RO | 0 | 0 | 388 | 85,547,739 | 334 | 41,849,068 | 944 | 117,908,207 | 0 | 0 | 0 | 0 |
| SI | 0 | 0 | 0 | 0 | 5 | 189,006 | 33 | 1,347,222 | 0 | 0 | 1 | 60,000 |
| 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 | 95 | 6,121,592 |  |  |
| Total | **22** | **838,966** | **476** | **147,689,310** | **936** | **79,622,590** | **1,731** | **209,229,807** | **95** | **6,121,592** | **9** | **1,412,590** |

**For IPA I, the largest number of irregularities and the highest associated amounts were reported with regard to IPARD.** Turkey reported the largest number of IPARD-related irregularities and the highest associated amounts.

Table PA 16: Total irregularities reported under IPA I components

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | CBC-IPA | | HRD | | IPARD | | REGD | | TAIB | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| AL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| 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 | 30 | 1,809,307 | 5 | 503,093 | 9 | 1,061,787 |
| IT | 4 | 1,410,735 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ME | 0 | 0 | 21 | 25,871 | 0 | 0 | 20 | 81,194 | 0 | 0 |
| MK | 0 | 0 | 2 | 215,793 | 15 | 215,055 | 0 | 0 | 4 | 27,950 |
| RO | 4 | 720,832 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RS | 21 | 168,206 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 1,153,297 |
| TR | 1 | 12,533 | 110 | 5,577,131 | 256 | 37,739,762 | 18 | 5,968,424 | 63 | 9,397,079 |
| Total | **198** | **3,157,815** | **144** | **6,242,240** | **301** | **39,764,124** | **43** | **6,552,711** | **88** | **11,640,114** |

**For IPA II, the largest number of irregularities and the highest associated amounts were also reported with regard to IPARD.** Turkey again reported the largest number of IPARD-related irregularities and the highest associated amounts.

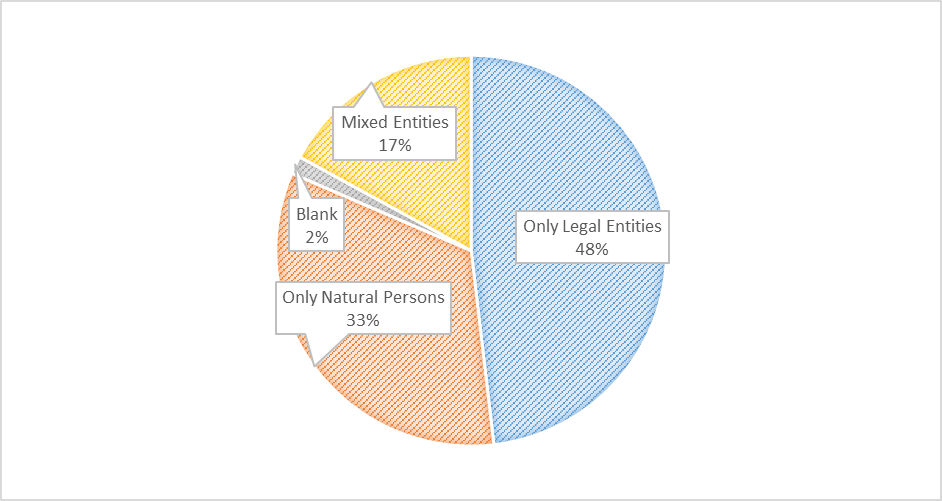
Table PA 17: Total irregularities reported under IPA II components

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | CBC-IPA | | IPARD | | REGD | | TAIB | |
|  | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) | (#) | (EUR) |
| AL | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| BG | 7 | 117,595 | 0 | 0 | 0 | 0 | 0 | 0 |
| ME | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| MK | 0 | 0 | 48 | 323,459 | 1 | 0 | 0 | 0 |
| RS | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| TR | 0 | 0 | 32 | 1,368,841 | 1 | 0 | 0 | 0 |
| Total | **10** | **117,595** | **81** | **1,692,300** | **2** | **0** | **3** | **0** |

* + 1. Profiles of Persons Involved

**For nearly half of the fraudulent irregularities reported, the “persons involved” [[21]](#footnote-21)**  **are legal entities; for a significant one-third of cases they are natural persons.** This analysis concerns the 135 irregularities reported as fraudulent between 2015 and 2019 in relation to pre-accession funding. Findings are based on the characteristics of the entities (natural or legal persons) involved in the irregularities reported as fraudulent.[[22]](#footnote-22) Chart PA12 shows their distribution in relation to the type of person involved. For nearly half of these cases (48%), the persons involved were all legal entities, while in one-third of them (33%) they were all natural persons.

Chart PA 12: Types of persons involved in irregularities reported as fraudulent – pre-accession funding (2015-2019)



**Most fraudulent irregularities report a single person involved.** Some 183 persons involved were associated to these 135 cases; most fraudulent irregularities report a single person involved, only ten report more than two. These 183 persons involved consist of 106 legal entities and 77 natural persons. This analysis does not attempt to correct for persons involved who are named in multiple cases and thus such parties would be counted once for every irregularity in which they are reported. As Chart PA13 indicates, the prevalence of single-company cases remains relatively steady around the 45% mark year-on-year, while the number of one-party cases (i.e., single persons or companies) has been above 80% for the last three years.

Chart PA 13

IMS does not provide structured information regarding the corporate form or legal status (‘*organisational status*’) of these legal entities. However, for the purpose of this analysis, their ‘*organisational status*’ has been surmised based on the examination of their names.[[23]](#footnote-23) This made it possible to classify 91 (86%) of these legal entities. For purposes of this analysis, the following classification has been adopted: (1) ‘*private companies*’, (2) ‘*public companies*’, (3) ‘*simple structures*’, (4) ‘*national governmental bodies’*, (5) *‘sub-national governmental bodies’*, and (6) *‘non-profits and cooperatives’.* ‘*Private companies’* includes entities such as limited companies whose shares are not traded on the stock market. ‘*Public companies’* includes entities such as limited companies whose shares are publicly traded. ‘*Simple structures’* includes entities lacking legal distinction between the owner and the business entity such as sole proprietorships and partnerships. ‘*National governmental bodies’* include any governmental entity operating at the national or central level (ministries, agencies, etc.). ‘*Sub-national governmental bodies’* include all governmental entities operating below the national level (regional bodies, municipalities, local officials, etc.). ‘*Non‑profits and cooperatives’* is a catchall for entities such as associations, educational institutions, cooperatives and generally organisations whose primary goal is not the generation of income for members or shareholders.

**The majority of legal entities involved are private companies, followed by sub-national governmental bodies and ‘non-profits and cooperatives’.** Chart PA14 shows the distribution of the 91 legal entities based on this classification. The majority of them (54) were *‘private companies’*, while the second largest group was ‘*sub-national governmental bodies’* (14) followed by ‘*non-profit and cooperatives’* (13).

Chart PA 14: Legal entities involved in irregularities reported as fraudulent – pre-accession funding (2015-2019)

1. Direct Management
   1. Introduction

This section contains a descriptive analysis of the data on recovery orders issued by the 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; [[24]](#footnote-24)

For financial year 2019, a total of EUR 20,630 million[[25]](#footnote-25) has been effectively disbursed under the ‘direct management’ mode. Table DM1 presents the actual payments made in financial year 2019 for the policy areas under ‘direct management’.

*Table DM1 – Payments made in financial year 2019 per policy area*



* + 1. General analysis

For the financial year 2019, the Commission services registered 1,815 recovery items[[26]](#footnote-26) in its accounting system (ABAC) that were qualified as irregularities for a total financial value of EUR 65.92 million. Among these recovery items, 37 have been reported as fraudulent, involving irregular amounts totalling EUR 10.57 million.

However, it has to be underlined that qualifications attributed to recovery items may change over the years: cases of irregularities may arouse suspicions of fraud or the other way round, suspicions of fraud may be reclassified as non-fraudulent irregularities upon the closure of the European Anti-Fraud Office (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.

* + 1. Five year analysis 2015-2019

The below analysis gives an overview of recovery data recorded in the ABAC system over the past five years. Between 2015 and 2019, the average number of recovery items qualified as ‘irregularities reported as fraudulent’[[27]](#footnote-27) was 51 per year. The lowest number of recoveries and the lowest corresponding recovery amounts were reported in 2015. The ratio between the amounts related to ‘irregularities reported as fraudulent’ and relative expenditure is close to zero (0.039%) throughout the 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 2015-2019*



With regard to ‘irregularities not reported as fraudulent’, the average number of recovery items registered per year is 1,740. The figure for 2019 fits to the longer trend, as is demonstrated by table DM3, below.

*Table DM3 – Irregularities not reported as fraudulent and related amounts, financial years 2015-2019*



Between 2015 and 2019, there were all together 8,701 registered recovery items qualified as ‘irregularities not reported as fraudulent’ with the aggregate recovery amount of EUR 373.06 million.

The ratio between the aggregate irregular amounts corresponding to the recovery items (classified as ‘irregularities not reported as fraudulent’ between 2015 and 2019) and the reference figure of the related expenditure is about half a percent (0.385%). This ratio has been stable for many years now around 0.3-0.4% with an exceptional year (2015) with higher value.

All these figures have to be interpreted in positive terms; they demonstrate the efficiency of the irregularity detection and recovery mechanisms in place.

* 1. Specific analysis
     1. Recoveries according policy areas

Table DM4 provides an overview of irregularity statistics by policy area for 2019.

*Table DM4 – Irregularities reported by policy areas and related amounts, 2019*



In the financial year 2019, the highest numbers of recovery items qualified as 'irregularities not reported as fraudulent' were recorded in the policy area ‘Research and innovation’ (718), as were the highest irregular amounts (EUR 18.14 million). The second highest number of recovery items and related financial amounts were recorded in the policy area ‘Communications networks, content and technology’ (with 276 recovery items and EUR 9.26 million in related financial amounts). The third highest number of recovery items and related financial amounts were recorded in the policy area: ‘International cooperation and development' (EUR 7.1 million).These three policy areas account for 62% of the overall irregular recovery amounts for the year 2019.

In 2019, 37 recovery items were registered as ‘irregularities reported as fraudulent’. The three policy areas with the highest number of irregularities reported were ‘Communications networks, content and technology’ (10 items), ‘Research and innovation’ (10 items) and ‘Internal market’ (7 items).

The total related irregular amounts in 2019 were EUR 10.57 million, out of which the policy area ‘International cooperation and development’ alone accounts for 42% (EUR 4.4 million).

Table DM5 presents an overview of irregularity statistics by policy area for the past five years.

*Table DM5 – Irregularities reported by policy areas and related amounts, financial years 2015-2019*



Over a five year period, it is in the policy area ‘Communications networks, content and technology’ where the highest aggregate recovery amounts (EUR 18.37 million – representing about half of the total amounts) were recorded in relation to ‘irregularities reported as fraudulent’. This is followed at a distance by the policy areas ‘International cooperation and development’ (EUR 6.09 million), ‘Education and culture’ (EUR 3.86 million) and ‘Research and innovation’ (EUR 3.80 million).

Regarding ‘irregularities not reported as fraudulent’, the highest aggregate recovery amounts over the past five years were recorded in the policy area ‘Research and innovation’ (EUR 86.10 million). This is followed by the policy areas ‘Mobility and transport’ (EUR 69.07 million) and then ‘Communications networks, content and technology’ (EUR 49.61 million). These three account for more than half (55%) 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 past five years for all fields, the irregularity detection rate remains low, on average 0.42% (0.385%+0.039%).

* + 1. Recoveries according to legal entity residence

During the past five years, 87% of the recovery items reported as ‘irregularities not reported as fraudulent’ (and 85% of the corresponding recovery amounts) concerned legal entities that are registered in the European Union. It should be noted however, that the place of registration of a legal entity is not necessarily the same as that of the main beneficiary. Nevertheless, in 75% of these irregularities and 74% of the corresponding amounts, the main beneficiary was also registered in an EU Member State. In case of ‘irregularities reported as fraudulent’, these ratios are somewhat higher: 92% of the total number of recovery items and 95% if the corresponding recovery amounts concerned a legal entity registered in an EU Member State, and in 82% of these cases and 76% of the amounts concerned a final beneficiary that was also registered in an EU Member State.

*Table DM6 – Recoveries per country of residence of the legal entity, 2015-2019*



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

* + 1. Method of detection

For each recovery item, the Commission service that issued the recovery order has to indicate how the irregularity was 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 provides a breakdown of the recoveries by source of detection and by qualification in the past five years.

*Table DM7 – Irregularities reported by source of detection and by qualification, 2015-2019*



Regarding the ‘irregularities reported as fraudulent’, ‘OLAF’ has been marked as the source of detection for 73% of recovery items corresponding to 90% of total recovery amounts. ‘Ex-post controls’ was the source of detection of 24% of ‘irregularities reported as fraudulent’, corresponding to another 8% of recovery amounts.

The 90% of ‘irregularities not reported as fraudulent’ were detected through Commission controls (*ex-ante* and *ex-post* controls).

* + 1. Types of irregularity

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

*Table DM8 – Types of irregularity, 2015-2019*



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

* + 1. 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 2015 and 2019, 56% of the total irregular amounts have been recovered. There are differences between the recovery rates depending on the qualification: the recovery rate for ‘irregularities reported as fraudulent’ (26%) remains well below the one calculated for ‘irregularities not reported as fraudulent’ (59%).

TABLE of ABBREVIATIONS

|  |  |
| --- | --- |
| ABAC | Accrual‑Based Accounting System |
| AEOs | Authorized Economic Operators |
| AFA | Average Financial Amount |
| AFCOS | Anti-Fraud Coordination Services |
| AFIS | Anti-Fraud Information System |
| AL | Albania |
| AMIF | Asylum, Migration and Integration Fund |
| AT | Austria |
| A-TIS | Anti-Fraud Transit Information System |
| BE | Belgium |
| BG | Bulgaria |
| CAFS | Commission anti‑fraud strategy |
| CAP | Common Agricultural Policy |
| CARDS | Community Assistance for Reconstruction, Development and Stabilisation |
| CBC | Cross-Border Cooperation |
| CELBET | Customs Eastern and South Eastern Land Border Expert Team |
| CF | Cohesion Fund |
| CIS+ | Customs Information System |
| CJEU | Court of Justice of the European Union |
| COCOLAF | Advisory Committee for Coordination of Fraud Prevention |
| CRMF | Customs Risk Management Framework |
| CRMS | Common Customs Risk Management System |
| CSM | Container Status Message directory |
| CVM | Cooperation and Verification Mechanism |
| CY | Cyprus |
| CZ | Czechia |
| DA | Direct payments to farmers |
| DE | Germany |
| DG BUDG | Directorate-General for Budget |
| DG NEAR | Directorate-General for Neighbourhood & Enlargement Negotiations |
| DG REGIO | Directorate-General for Regional and Urban Policy |
| DG TAXUD | Directorate-General for Taxation and Customs Union |
| DK | Denmark |
| EAFRD | European Agricultural Fund for Rural Development |
| EAGF | European agricultural guarantee fund |
| EAGGF | European Agricultural Guidance and Guarantee Fund |
| ECA | European Court of Auditors |
| EDES | Early detection and exclusion system |
| EE | Estonia |
| EFF | European Fisheries Fund |
| EGF | European Globalisation Adjustment Fund |
| EMFF | European Maritime and Fisheries Fund |
| ERDF | European Regional Development Fund |
| ES | Spain |
| ESF | European Social Fund |
| ESIF | European Structural and Investment Funds |
| EU | European Union |
| EUBAM | European Union Border Assistance Mission to Moldova and Ukraine |
| EUR | Euro |
| FAL | Fraud Amount Level |
| FDR | Fraud Detection Rate |
| FEAD | Fund for European Aid to the Most Deprived |
| FFL | Fraud Frequency Level |
| FI | Finland |
| FIDE | Customs Investigation Files Identification Database |
| FPDNet | Fraud Prevention and Detection Network |
| FR | France |
| FRC | Financial Risk Criteria and Standards |
| GAF | Council Working Party on Combating Fraud |
| GIP | OLAF Guidelines on Investigation Procedures for Staff |
| GNI | Gross National Income |
| GR | Greece |
| GRECO | Group of States Against Corruption |
| HR | Croatia |
| HRD | Human Resources Development |
| HU | Hungary |
| IACS | Integrated Administration and Control System |
| IDR | Irregularities Detection Rate |
| IE | Ireland |
| IET | Import, Export and Transit directory |
| IMS | Irregularities Management System |
| IPA I | Instrument for Pre-accession Assistance 2007-2013 |
| IPA II | Instrument for Pre-accession Assistance 2014-2020 |
| IPARD | Instrument for Pre-Accession Assistance for Rural Development |
| ISF | Internal Security Fund |
| ISF Police | Instrument for Financial Support for Police Cooperation, Preventing and Combating Crime, and Crisis Management |
| ISPA | Instrument for Structural Policies for Pre-Accession |
| ISSG | Inter-Service Steering Group |
| IT | Information Technology or Italy (context-dependent) |
| JAC | EU Joint Analytics Capabilities |
| JCO | Joint customs operations |
| LPIS | Land Parcel Identification System |
| LT | Lithuania |
| LU | Luxembourg |
| LV | Latvia |
| LVCR | Low-Value Consignments Reliefs |
| MAA | Mutual Administrative Assistance |
| ME | Montenegro |
| MK | North Macedonia |
| MM | Market Support Measures |
| MT | Malta |
| NAFS | National Anti-Fraud Strategy |
| NEETs | Young people who are Not in Education, Employment or Training |
| NL | Netherlands |
| OAFCN | OLAF Anti‑Fraud Communicators’ Network |
| OLAF | European Anti-Fraud Office |
| PAA | Pre-Accession Assistance 2000-2006 |
| PIF Convention | 1995 Convention on the protection of the European Communities’ financial interests and its protocols |
| PIF Directive | Directive EU 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law |
| PIF Report | Annual Report on the protection of the EU's financial interests and the fight against fraud |
| PL | Poland |
| PP | Programming period |
| PT | Portugal |
| RD | Rural Development |
| RIF | Risk Information Form |
| RO | Romania |
| RS | Serbia |
| RTD | Research and Technological Development, innovation and entrepreneurship |
| SA | Direct Support to Agriculture |
| SAPARD | Special Accession Programme for Agricultural and Rural Development |
| SCO | Simplified Cost Option |
| SE | Sweden |
| SI | Slovenia |
| SK | Slovakia |
| SWD | Staff Working Document |
| TAIB | Transition Assistance and Institution Building |
| TFEU | Treaty on the Functioning of the European Union |
| TIPAA | Turkey Instrument for Pre-accession Assistance |
| TOR | Traditional Own Resources |
| ToSMA | Tobacco Seizures Management Application |
| TR | Turkey |
| UK | United Kingdom |
| VAT | Value-Added Tax |
| VOCU | Virtual Operations Coordination Unit |
| YEI | Youth Employment Initiative |

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 with the related estimated and established amount 2015-2019** | | | | | | | | | |
| **MS** | **2015** | | **2016** | | **2017** | | **2018** | | **2019** | |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| BE | 253 | 15.381.576 | 213 | 14.783.680 | 223 | 24.012.610 | 261 | 22.290.296 | 372 | 34.476.843 |
| BG | 27 | 729.723 | 13 | 322.555 | 20 | 1.256.344 | 14 | 1.407.520 | 2 | 653.686 |
| CZ | 72 | 3.729.061 | 82 | 5.812.744 | 89 | 8.480.638 | 94 | 4.759.303 | 51 | 4.320.263 |
| DK | 91 | 6.212.626 | 79 | 12.239.845 | 58 | 2.413.222 | 54 | 7.291.699 | 66 | 3.381.308 |
| DE | 2.137 | 140.234.145 | 1.853 | 85.669.082 | 2003 | 107.779.317 | 1746 | 126.377.562 | 1.532 | 131.840.156 |
| EE | 9 | 247.557 | 9 | 1.303.483 | 5 | 322.079 | 9 | 642.408 | 7 | 605.861 |
| IE | 32 | 3.340.624 | 35 | 6.402.932 | 35 | 3.189.457 | 36 | 4.615.501 | 20 | 1.418.200 |
| EL | 57 | 16.692.582 | 46 | 16.636.362 | 48 | 15.154.453 | 41 | 7.390.356 | 45 | 3.556.214 |
| ES | 320 | 24.797.589 | 303 | 45.241.524 | 264 | 49.555.882 | 322 | 35.679.540 | 311 | 26.014.963 |
| FR | 383 | 28.328.699 | 346 | 46.017.868 | 299 | 28.034.946 | 294 | 96.677.600 | 285 | 25.145.687 |
| HR | 14 | 970.578 | 17 | 607.292 | 15 | 1.089.621 | 16 | 1.097.818 | 8 | 521.097 |
| IT | 152 | 12.475.786 | 112 | 13.815.600 | 145 | 18.840.531 | 104 | 10.245.332 | 160 | 14.239.984 |
| CY | 4 | 127.072 | 8 | 332.446 | 5 | 128.966 | 4 | 70.088 | 1 | 10.463 |
| LV | 30 | 1.995.004 | 33 | 4.069.905 | 12 | 555.952 | 20 | 1.396.206 | 24 | 994.587 |
| LT | 47 | 1.325.639 | 26 | 890.462 | 57 | 2.281.915 | 45 | 4.908.606 | 27 | 3.426.512 |
| LU |  |  | 5 | 176.523 | 5 | 162.959 |  |  | 1 | 111.376 |
| HU | 27 | 1.135.111 | 16 | 3.809.265 | 26 | 5.885.480 | 11 | 1.157.762 | 54 | 3.465.845 |
| MT | 5 | 639.073 | 2 | 320.682 | 2 | 366.319 |  |  |  |  |
| NL | 462 | 110.264.295 | 523 | 132.231.615 | 450 | 75.597.938 | 503 | 129.521.185 | 407 | 97.755.920 |
| AT | 75 | 3.910.588 | 61 | 11.400.786 | 56 | 7.337.055 | 48 | 2.221.411 | 47 | 4.983.962 |
| PL | 129 | 5.055.693 | 166 | 7.006.566 | 99 | 3.266.143 | 155 | 8.429.067 | 140 | 10.678.969 |
| PT | 22 | 3.764.190 | 17 | 6.609.241 | 38 | 5.457.304 | 37 | 9.398.614 | 11 | 1.233.978 |
| RO | 93 | 7.890.091 | 57 | 5.379.682 | 32 | 2.962.329 | 25 | 2.389.834 | 57 | 3.723.400 |
| SI | 12 | 441.245 | 2 | 146.875 | 13 | 507.746 | 14 | 987.411 | 10 | 503.267 |
| SK | 10 | 605.925 | 18 | 1.026.172 | 11 | 756.807 | 11 | 550.903 | 7 | 423.202 |
| FI | 38 | 1.739.021 | 40 | 2.385.846 | 31 | 1.894.518 | 32 | 2.945.510 | 58 | 8.251.250 |
| SE | 79 | 2.991.700 | 101 | 6.004.437 | 169 | 10.705.794 | 155 | 7.592.250 | 174 | 9.054.254 |
| UK | 971 | 45.205.818 | 835 | 82.774.064 | 812 | 100.663.032 | 822 | 130.348.949 | 785 | 86.081.426 |
| **TOTAL** | **5.551** | **440.231.011** | **5.018** | **513.417.533** | **5.022** | **478.659.357** | **4.873** | **620.392.731** | **4.662** | **476.872.672** |

**Annex 2**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Total number of fraudulent cases with the related estimated and established amount 2015-2019** | | | | | | | | | |
| **MS** | **2015** | | **2016** | | **2017** | | **2018** | | **2019** | |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| BE | 45 | 7.486.346 | 41 | 8.952.164 | 28 | 13.990.000 | 41 | 16.064.238 | 112 | 21.483.133 |
| BG | 23 | 648.683 | 11 | 310.208 | 19 | 1.190.756 | 13 | 1.348.301 | 2 | 653.686 |
| CZ | 2 | 47.854 | 2 | 150.271 |  |  |  |  |  |  |
| DK | 6 | 2.677.682 | 5 | 8.542.443 | 1 | 87.655 | 2 | 167.029 | 2 | 145.933 |
| DE | 160 | 29.777.720 | 117 | 5.382.048 | 60 | 6.581.445 | 115 | 20.530.440 | 62 | 31.138.965 |
| EE | 5 | 134.899 | 4 | 71.272 | 4 | 310.930 | 4 | 568.102 | 5 | 505.284 |
| IE | 8 | 1.544.668 | 6 | 1.176.186 | 1 | 33.992 | 10 | 1.497.154 | 4 | 291.422 |
| EL | 34 | 13.390.124 | 39 | 16.113.752 | 37 | 14.834.859 | 31 | 6.099.049 | 11 | 1.966.743 |
| ES | 75 | 4.943.261 | 50 | 3.198.054 | 34 | 3.162.346 | 46 | 4.145.500 | 29 | 2.527.014 |
| FR | 99 | 14.436.645 | 92 | 25.954.197 | 98 | 13.218.922 | 61 | 80.334.585 | 49 | 6.259.966 |
| HR | 5 | 248.151 | 5 | 341.342 | 8 | 828.131 | 12 | 1.023.612 | 2 | 393.202 |
| IT | 40 | 5.553.956 | 22 | 6.916.737 | 23 | 2.243.030 | 38 | 5.763.881 | 29 | 2.237.000 |
| CY | 3 | 112.709 | 7 | 332.446 | 4 | 118.402 | 1 | 12.878 |  |  |
| LV | 18 | 1.616.073 | 17 | 951.906 | 8 | 359.109 | 9 | 1.103.972 | 14 | 711.278 |
| LT | 17 | 559.196 | 10 | 266.102 | 38 | 1.275.220 | 20 | 1.683.684 | 17 | 2.458.400 |
| LU |  |  |  |  |  |  |  |  |  |  |
| HU | 5 | 168.922 | 2 | 36.713 | 4 | 311.055 | 1 | 721.167 | 1 | 26.502 |
| MT | 1 | 34.422 | 2 | 320.682 | 2 | 366.319 |  |  |  |  |
| NL | 3 | 1.596.447 | 9 | 515.657 | 10 | 3.358.199 | 18 | 2.365.801 | 7 | 2.500.608 |
| AT | 10 | 1.002.116 | 14 | 1.764.776 | 7 | 5.625.470 | 4 | 147.356 | 6 | 1.088.950 |
| PL | 59 | 1.752.500 | 92 | 3.007.681 | 52 | 1.859.125 | 41 | 2.240.531 | 26 | 2.641.542 |
| PT | 7 | 3.214.944 | 1 | 5.299.535 | 7 | 908.214 | 4 | 1.643.054 | 5 | 1.043.512 |
| RO | 21 | 975.551 | 16 | 2.703.065 | 9 | 293.507 | 3 | 49.640 | 5 | 319.069 |
| SI | 3 | 134.029 |  |  | 4 | 171.727 | 8 | 405.956 | 2 | 64.994 |
| SK | 3 | 117.282 | 3 | 707.196 |  |  | 5 | 115.016 | 1 | 15.500 |
| FI | 6 | 412.415 | 6 | 119.457 | 4 | 68.254 | 5 | 267.571 | 4 | 226.260 |
| SE |  |  | 2 | 91.976 | 4 | 4.315.758 | 1 | 33.864 | 1 | 76.914 |
| UK | 42 | 996.027 | 9 | 301.726 | 9 | 485.590 | 28 | 965.389 | 29 | 978.333 |
| **TOTAL** | **700** | **93.582.621** | **584** | **93.527.594** | **475** | **75.998.015** | **521** | **149.297.771** | **425** | **79.754.209** |

**Annex 3**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Total number of non-fraudulent cases with the related estimated and established amount 2015-2019** | | | | | | | | | |
| **MS** | **2015** | | **2016** | | **2017** | | **2018** | | **2019** | |
| **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** | **N** | **EUR** |
| BE | 208 | 7.895.230 | 172 | 5.831.515 | 195 | 10.022.610 | 220 | 6.226.058 | 260 | 12.993.710 |
| BG | 4 | 81.040 | 2 | 12.347 | 1 | 65.587 | 1 | 59.220 |  |  |
| CZ | 70 | 3.681.207 | 80 | 5.662.473 | 89 | 8.480.638 | 94 | 4.759.303 | 51 | 4.320.263 |
| DK | 85 | 3.534.944 | 74 | 3.697.402 | 57 | 2.325.568 | 52 | 7.124.670 | 64 | 3.235.375 |
| DE | 1.977 | 110.456.425 | 1.736 | 80.287.035 | 1.943 | 101.197.873 | 1.631 | 105.847.122 | 1.470 | 100.701.191 |
| EE | 4 | 112.658 | 5 | 1.232.211 | 1 | 11.149 | 5 | 74.306 | 2 | 100.577 |
| IE | 24 | 1.795.956 | 29 | 5.226.746 | 34 | 3.155.465 | 26 | 3.118.347 | 16 | 1.126.778 |
| EL | 23 | 3.302.458 | 7 | 522.610 | 11 | 319.594 | 10 | 1.291.307 | 34 | 1.589.471 |
| ES | 245 | 19.854.328 | 253 | 42.043.470 | 230 | 46.393.536 | 276 | 31.534.040 | 282 | 23.487.949 |
| FR | 284 | 13.892.055 | 254 | 20.063.671 | 201 | 14.816.024 | 233 | 16.343.015 | 236 | 18.885.721 |
| HR | 9 | 722.428 | 12 | 265.950 | 7 | 261.490 | 4 | 74.206 | 6 | 127.895 |
| IT | 112 | 6.921.830 | 90 | 6.898.863 | 122 | 16.597.501 | 66 | 4.481.451 | 131 | 12.002.984 |
| CY | 1 | 14.363 | 1 | 0 | 1 | 10.564 | 3 | 57.210 | 1 | 10.463 |
| LV | 12 | 378.930 | 16 | 3.117.998 | 4 | 196.843 | 11 | 292.235 | 10 | 283.309 |
| LT | 30 | 766.443 | 16 | 624.360 | 19 | 1.006.695 | 25 | 3.224.922 | 10 | 968.112 |
| LU |  |  | 5 | 176.523 | 5 | 162.959 |  |  | 1 | 111.376 |
| HU | 22 | 966.189 | 14 | 3.772.552 | 22 | 5.574.425 | 10 | 436.595 | 53 | 3.439.343 |
| MT | 4 | 604.651 |  |  |  |  |  |  |  |  |
| NL | 459 | 108.667.848 | 514 | 131.715.958 | 440 | 72.239.739 | 485 | 127.155.384 | 400 | 95.255.312 |
| AT | 65 | 2.908.472 | 47 | 9.636.010 | 49 | 1.711.585 | 44 | 2.074.054 | 41 | 3.895.011 |
| PL | 70 | 3.303.193 | 74 | 3.998.885 | 47 | 1.407.017 | 114 | 6.188.536 | 114 | 8.037.427 |
| PT | 15 | 549.246 | 16 | 1.309.706 | 31 | 4.549.090 | 33 | 7.755.560 | 6 | 190.466 |
| RO | 72 | 6.914.540 | 41 | 2.676.617 | 23 | 2.668.823 | 22 | 2.340.194 | 52 | 3.404.332 |
| SI | 9 | 307.216 | 2 | 146.875 | 9 | 336.019 | 6 | 581.455 | 8 | 438.273 |
| SK | 7 | 488.643 | 15 | 318.976 | 11 | 756.807 | 6 | 435.887 | 6 | 407.702 |
| FI | 32 | 1.326.606 | 34 | 2.266.388 | 27 | 1.826.264 | 27 | 2.677.938 | 54 | 8.024.990 |
| SE | 79 | 2.991.700 | 99 | 5.912.460 | 165 | 6.390.036 | 154 | 7.558.386 | 173 | 8.977.340 |
| UK | 929 | 44.209.791 | 826 | 82.472.338 | 803 | 100.177.442 | 794 | 129.383.560 | 756 | 85.103.093 |
| **TOTAL** | **4.851** | **346.648.390** | **4.434** | **419.889.940** | **4.547** | **402.661.342** | **4.352** | **471.094.960** | **4.237** | **397.118.464** |

**Annex 4**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Percentage of the financial impact of OWNRES cases to the collected and made avialable TOR (gross) in 2019 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** | | **%** |
| 1 | 2 | 3=2/1 | 4 | | 5=4/1 | 6 | | 7=6/1 |
| BE | 2.793.965.200 | 34.476.843 | 1,23% | 21.483.133 | | 0,77% | 12.993.710 | | 0,47% |
| BG | 114.527.802 | 653.686 | 0,57% | 653.686 | | 0,57% |  | | 0,00% |
| CZ | 358.606.539 | 4.320.263 | 1,20% |  | | 0,00% | 4.320.263 | | 1,20% |
| DK | 423.678.093 | 3.381.308 | 0,80% | 145.933 | | 0,03% | 3.235.375 | | 0,76% |
| DE | 5.115.108.190 | 131.840.156 | 2,58% | 31.138.965 | | 0,61% | 100.701.191 | | 1,97% |
| EE | 53.524.059 | 605.861 | 1,13% | 505.284 | | 0,94% | 100.577 | | 0,19% |
| IE | 380.317.710 | 1.418.200 | 0,37% | 291.422 | | 0,08% | 1.126.778 | | 0,30% |
| EL | 298.766.574 | 3.556.214 | 1,19% | 1.966.743 | | 0,66% | 1.589.471 | | 0,53% |
| ES | 1.986.288.991 | 26.014.963 | 1,31% | 2.527.014 | | 0,13% | 23.487.949 | | 1,18% |
| FR | 2.218.723.733 | 25.145.687 | 1,13% | 6.259.966 | | 0,28% | 18.885.721 | | 0,85% |
| HR | 48.827.261 | 521.097 | 1,07% | 393.202 | | 0,81% | 127.895 | | 0,26% |
| IT | 2.304.001.322 | 14.239.984 | 0,62% | 2.237.000 | | 0,10% | 12.002.984 | | 0,52% |
| CY | 31.578.686 | 10.463 | 0,03% |  | | 0,00% | 10.463 | | 0,03% |
| LV | 51.098.597 | 994.587 | 1,95% | 711.278 | | 1,39% | 283.309 | | 0,55% |
| LT | 124.347.058 | 3.426.512 | 2,76% | 2.458.400 | | 1,98% | 968.112 | | 0,78% |
| LU | 25.358.839 | 111.376 | 0,44% |  | | 0,00% | 111.376 | | 0,44% |
| HU | 250.188.569 | 3.465.845 | 1,39% | 26.502 | | 0,01% | 3.439.343 | | 1,37% |
| MT | 20.001.336 | - | 0,00% |  | | 0,00% |  | | 0,00% |
| NL | 3.411.402.500 | 97.755.920 | 2,87% | 2.500.608 | | 0,07% | 95.255.312 | | 2,79% |
| AT | 276.408.992 | 4.983.962 | 1,80% | 1.088.950 | | 0,39% | 3.895.011 | | 1,41% |
| PL | 1.033.676.120 | 10.678.969 | 1,03% | 2.641.542 | | 0,26% | 8.037.427 | | 0,78% |
| PT | 231.975.771 | 1.233.978 | 0,53% | 1.043.512 | | 0,45% | 190.466 | | 0,08% |
| RO | 246.658.490 | 3.723.400 | 1,51% | 319.069 | | 0,13% | 3.404.332 | | 1,38% |
| SI | 98.579.430 | 503.267 | 0,51% | 64.994 | | 0,07% | 438.273 | | 0,44% |
| SK | 105.321.797 | 423.202 | 0,40% | 15.500 | | 0,01% | 407.702 | | 0,39% |
| FI | 187.771.532 | 8.251.250 | 4,39% | 226.260 | | 0,12% | 8.024.990 | | 4,27% |
| SE | 649.304.156 | 9.054.254 | 1,39% | 76.914 | | 0,01% | 8.977.340 | | 1,38% |
| UK | 3.865.669.348 | 86.081.426 | 2,23% | 978.333 | | 0,03% | 85.103.093 | | 2,20% |
| **Total** | **26.705.676.695** | **476.872.672** | **1,79%** | **79.754.209** | | **0,30%** | **397.118.464** | | **1,49%** |

**Annex 5**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Recovery rates (RR) per cut-off date** | | | | | | | |
| **MS** | **2018** | | | | **2019** | | | |
| **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 | 19.103.005 | 16.764.273 | 88% | 32.175.309 | | 16.446.273 | 51% |
| BG | 601.490 | 116.671 | 19% | 550.584 | | 0 | 0% |
| CZ | 4.759.303 | 4.563.965 | 96% | 4.320.263 | | 4.306.668 | 100% |
| DK | 7.291.699 | 6.967.356 | 96% | 3.381.308 | | 3.080.911 | 91% |
| DE | 126.376.311 | 102.619.083 | 81% | 131.817.242 | | 102.276.961 | 78% |
| EE | 642.408 | 74.306 | 12% | 129.213 | | 129.213 | 100% |
| IE | 3.118.347 | 2.017.829 | 65% | 1.126.778 | | 1.084.728 | 96% |
| EL | 4.585.157 | 421.433 | 9% | 2.995.112 | | 495.022 | 17% |
| ES | 33.507.204 | 22.255.693 | 66% | 24.336.245 | | 23.077.732 | 95% |
| FR | 95.280.178 | 85.688.286 | 90% | 24.220.231 | | 13.855.274 | 57% |
| HR | 1.097.818 | 527.772 | 48% | 521.097 | | 521.097 | 100% |
| IT | 9.253.640 | 3.344.520 | 36% | 13.209.917 | | 6.209.192 | 47% |
| CY | 70.088 | 64.029 | 91% | 10.463 | | 10.463 | 100% |
| LV | 1.396.206 | 260.684 | 19% | 358.085 | | 271.627 | 76% |
| LT | 4.908.606 | 3.107.682 | 63% | 987.045 | | 976.167 | 99% |
| LU |  |  | #DIV/0! | 111.376 | | 111.376 | 100% |
| HU | 1.157.762 | 1.051.601 | 91% | 3.465.845 | | 1.082.995 | 31% |
| MT |  |  | #DIV/0! |  | |  |  |
| NL | 128.770.441 | 39.419.259 | 31% | 97.716.493 | | 22.920.655 | 23% |
| AT | 2.221.411 | 2.047.507 | 92% | 4.928.961 | | 1.190.427 | 24% |
| PL | 8.257.610 | 4.604.464 | 56% | 6.512.897 | | 5.328.738 | 82% |
| PT | 9.347.470 | 3.719.205 | 40% | 1.233.978 | | 209.817 | 17% |
| RO | 2.433.519 | 1.219.662 | 50% | 3.583.765 | | 2.622.224 | 73% |
| SI | 987.411 | 987.411 | 100% | 503.267 | | 491.531 | 98% |
| SK | 550.903 | 319.131 | 58% | 407.702 | | 407.702 | 100% |
| FI | 2.945.510 | 2.741.186 | 93% | 8.251.250 | | 3.715.468 | 45% |
| SE | 7.558.386 | 5.819.933 | 77% | 9.054.254 | | 7.853.296 | 87% |
| UK | 129.520.125 | 51.354.966 | 40% | 85.076.121 | | 43.081.480 | 51% |
| **TOTAL** | **605.742.008** | **362.077.907** | **60%** | **460.984.801** | | **261.757.037** | **57%** |

**Annex 6**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Estimated and established amount per customs procedure per Member State 2019 (EUR)** | | | | | | | | | |
| **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 | 18.602.992 | 2.304.302 | 399.128 |  | 176.710 | 11.550.356 | 592.602 | 385.159 | 450.400 | 15.193 |
| BG | 550.584 | 103.102 |  |  |  |  |  |  |  |  |
| CZ |  |  |  |  |  | 4.320.263 |  |  |  |  |
| DK | 145.933 |  |  |  |  | 2.910.340 |  | 233.661 | 91.374 | 0 |
| DE | 31.118.965 |  |  |  | 20.000 | 86.850.520 | 683.247 | 7.195.130 | 4.621.465 | 1.350.829 |
| EE | 28.636 |  |  |  | 476.648 | 100.577 |  |  |  |  |
| IE |  |  |  |  | 291.422 | 929.458 |  | 90.257 | 31.157 | 75.906 |
| EL | 1.954.430 |  |  |  | 12.313 | 843.741 |  | 745.730 |  |  |
| ES | 2.527.014 |  |  |  |  | 19.980.492 | 43.065 | 46.137 | 3.408.006 | 10.249 |
| FR | 5.022.835 | 167.799 | 101.505 | 100.321 | 867.506 | 17.219.130 | 91.245 | 122.460 | 1.441.219 | 11.667 |
| HR | 365.909 | 27.293 |  |  |  | 127.895 |  |  |  |  |
| IT | 2.237.000 |  |  |  |  | 10.261.103 |  | 105.737 | 1.162.757 | 473.387 |
| CY |  |  |  |  |  | 10.463 |  |  |  |  |
| LV | 692.504 |  |  |  | 18.774 | 124.450 | 54.657 | 86.477 | 17.725 |  |
| LT |  | 344.748 | 181.232 |  | 1.932.420 | 955.507 | 12.605 |  |  |  |
| LU |  |  |  |  |  | 111.376 |  |  |  |  |
| HU | 26.502 |  |  |  |  | 3.376.732 |  |  | 62.611 |  |
| MT |  |  |  |  |  |  |  |  |  |  |
| NL | 1.754.117 |  | 746.491 |  |  | 89.901.987 | 325.039 | 1.515.590 | 3.325.421 | 187.275 |
| AT | 1.048.642 | 17.676 |  |  | 22.632 | 3.802.211 | 11.588 |  | 81.212 |  |
| PL | 2.103.889 | 496.119 |  |  | 41.534 | 7.995.970 |  |  | 41.456 |  |
| PT | 1.043.512 |  |  |  |  | 190.466 |  |  |  |  |
| RO | 183.342 |  | 99.985 |  | 35.741 | 3.341.576 |  |  |  | 62.756 |
| SI | 64.994 |  |  |  |  | 438.273 |  |  |  |  |
| SK |  | 15.500 |  |  |  | 407.702 |  |  |  |  |
| FI | 226.260 |  |  |  |  | 6.919.106 |  |  | 935.764 | 170.120 |
| SE | 76.914 |  |  |  |  | 8.182.105 | 39.516 | 312.567 | 319.969 | 123.183 |
| UK | 978.333 |  |  |  |  | 72.925.179 |  |  | 12.153.003 | 24.911 |
| **Total** | **70.753.306** | **3.476.539** | **1.528.341** | **100.321** | **3.895.701** | **353.776.980** | **1.853.563** | **10.838.905** | **28.143.540** | **2.505.475** |

**Annex 7**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Customs procedure by number of cases per Member State 2019** | | | | | | | | | |
| **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 | 102 | 6 | 2 |  | 2 | 139 | 102 | 9 | 4 | 6 |
| BG | 1 | 1 |  |  |  |  |  |  |  |  |
| CZ |  |  |  |  |  | 51 |  |  |  |  |
| DK | 2 |  |  |  |  | 55 |  | 5 | 2 | 2 |
| DE | 61 |  |  |  | 1 | 1.293 | 31 | 87 | 39 | 20 |
| EE | 1 |  |  |  | 4 | 2 |  |  |  |  |
| IE |  |  |  |  | 4 | 12 |  | 2 | 1 | 1 |
| EL | 9 |  |  |  | 2 | 33 |  | 1 |  |  |
| ES | 29 |  |  |  |  | 254 | 1 | 1 | 25 | 1 |
| FR | 33 | 4 | 1 | 3 | 8 | 217 | 5 | 3 | 10 | 1 |
| HR | 1 | 1 |  |  |  | 6 |  |  |  |  |
| IT | 29 |  |  |  |  | 121 |  | 1 | 8 | 1 |
| CY |  |  |  |  |  | 1 |  |  |  |  |
| LV | 13 |  |  |  | 1 | 7 | 1 | 1 | 1 |  |
| LT |  | 2 | 2 |  | 13 | 9 | 1 |  |  |  |
| LU |  |  |  |  |  | 1 |  |  |  |  |
| HU | 1 |  |  |  |  | 50 |  |  | 3 |  |
| MT |  |  |  |  |  |  |  |  |  |  |
| NL | 5 |  | 2 |  |  | 283 | 62 | 34 | 15 | 6 |
| AT | 4 | 1 |  |  | 1 | 36 | 1 |  | 4 |  |
| PL | 16 | 8 |  |  | 2 | 112 |  |  | 2 |  |
| PT | 5 |  |  |  |  | 6 |  |  |  |  |
| RO | 3 |  | 1 |  | 1 | 50 |  |  |  | 2 |
| SI | 2 |  |  |  |  | 8 |  |  |  |  |
| SK |  | 1 |  |  |  | 6 |  |  |  |  |
| FI | 4 |  |  |  |  | 45 |  |  | 7 | 2 |
| SE | 1 |  |  |  |  | 165 | 3 | 2 | 2 | 1 |
| UK | 29 |  |  |  |  | 695 |  |  | 60 | 1 |
| **Total** | **351** | **24** | **8** | **3** | **39** | **3.657** | **207** | **146** | **183** | **44** |

**Annex 8**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Method of detection by established and estimated amounts per Member state 2019 (EUR)** | | | | | | | | | | | | | | | | |
| **MS** | **Total EUR** | **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 | 34.476.843 | 21.483.133 | 626.413 | 10.778.006 | 10.047.986 |  |  | 30.729 | 12.993.710 | | 2.145.793 | 2.813.828 | 171.281 | 140.475 | 108.894 | 7.613.439 |
| BG | 653.686 | 653.686 |  | 550.584 | 103.102 |  |  |  | 0 | |  |  |  |  |  |  |
| CZ | 4.320.263 | 0 |  |  |  |  |  |  | 4.320.263 | | 34.647 | 3.059.124 |  |  | 1.226.492 |  |
| DK | 3.381.308 | 145.933 | 145.933 |  |  |  |  |  | 3.235.375 | | 1.328.740 | 1.147.659 |  | 160.264 | 92.632 | 506.079 |
| DE | 131.840.156 | 31.138.965 | 53.374 | 74.935 | 30.096.023 | 870.809 | 31.022 | 12.801 | 100.701.191 | | 1.946.042 | 38.559.516 | 498.957 | 42.135.798 | 17.046.021 | 514.858 |
| EE | 605.861 | 505.284 | 476.648 | 28.636 |  |  |  |  | 100.577 | |  | 100.577 |  |  |  |  |
| IE | 1.418.200 | 291.422 |  |  | 291.422 |  |  |  | 1.126.778 | | 136.458 | 361.318 | 13.676 | 349.009 | 266.317 |  |
| EL | 3.556.214 | 1.966.743 |  | 57.620 | 27.212 |  |  | 1.881.911 | 1.589.471 | | 123.241 | 866.684 | 599.546 |  |  |  |
| ES | 26.014.963 | 2.527.014 | 17.351 | 18.035 | 2.197.762 | 293.866 |  |  | 23.487.949 | | 7.172.441 | 1.402.570 | 895.386 | 9.517.751 | 4.424.381 | 75.420 |
| FR | 25.145.687 | 6.259.966 | 1.321.830 | 823.403 | 4.114.733 |  |  |  | 18.885.721 | | 2.659.558 | 9.576.547 | 5.686.147 |  | 963.469 |  |
| HR | 521.097 | 393.202 | 27.293 | 365.909 |  |  |  |  | 127.895 | | 26.154 | 101.741 |  |  |  |  |
| IT | 14.239.984 | 2.237.000 | 13.416 | 586.294 | 1.389.225 | 186.315 | 61.750 |  | 12.002.984 | | 2.074.694 | 7.468.233 | 2.318.819 |  | 141.238 |  |
| CY | 10.463 | 0 |  |  |  |  |  |  | 10.463 | |  |  |  |  |  | 10.463 |
| LV | 994.587 | 711.278 | 647.032 | 64.246 |  |  |  |  | 283.309 | |  | 175.924 |  | 86.477 | 20.907 |  |
| LT | 3.426.512 | 2.458.400 |  |  | 2.458.400 |  |  |  | 968.112 | | 106.560 | 861.552 |  |  |  |  |
| LU | 0 | 0 |  |  |  |  |  |  |  | | 111.376 |  |  |  |  |  |
| HU | 3.465.845 | 26.502 |  | 26.502 |  |  |  |  | 3.439.343 | | 295.390 | 3.143.953 |  |  |  |  |
| MT | 0 | 0 |  |  |  |  |  |  | 0 | |  |  |  |  |  |  |
| NL | 97.755.920 | 2.500.608 | 54.140 | 2.421.467 |  |  | 25.001 |  | 95.255.312 | | 5.937.877 | 84.674.889 |  |  | 4.642.546 |  |
| AT | 4.983.961 | 1.088.949 |  | 57.392 | 1.031.557 |  |  |  | 3.895.011 | | 11.588 | 764.390 | 2.746.973 |  | 254.861 | 117.199 |
| PL | 10.678.969 | 2.641.543 | 1.506.254 | 873.792 | 38.816 |  |  | 222.681 | 8.037.427 | | 652.619 | 7.090.597 | 196.824 |  | 97.387 |  |
| PT | 1.233.978 | 1.043.512 |  | 943.987 | 99.524 |  |  |  | 190.466 | |  | 19.630 | 170.836 |  |  |  |
| RO | 3.723.400 | 319.069 | 99.985 |  | 219.084 |  |  |  | 3.404.332 | |  |  | 3.404.332 |  |  |  |
| SI | 503.267 | 64.994 |  |  | 64.994 |  |  |  | 438.273 | | 11.315 | 426.958 |  |  |  |  |
| SK | 423.202 | 15.500 | 15.500 |  |  |  |  |  | 407.702 | |  | 334.475 | 30.050 |  | 43.178 |  |
| FI | 8.251.250 | 226.260 | 226.260 |  |  |  |  |  | 8.024.990 | | 6.228.879 | 913.196 |  |  | 882.915 |  |
| SE | 9.054.254 | 76.914 |  | 76.914 |  |  |  |  | 8.977.340 | | 174.064 | 5.970.806 | 1.803.098 |  | 1.029.373 |  |
| UK | 86.081.426 | 978.333 | 978.333 |  |  |  |  |  | 85.103.093 | | 26.972 | 58.211.234 |  |  | 26.864.888 |  |
| **Total** | **476.872.672** | **79.754.209** | **6.209.761** | **17.747.723** | **52.179.840** | **1.350.990** | **117.773** | **2.148.122** | **397.118.464** | | **31.204.409** | **228.045.400** | **18.535.924** | **52.389.775** | **58.105.498** | **8.837.458** |

**Annex 9**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Method of detection by number of cases per Member State 2019** | | | | | | | | | | | | | | | |
| **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 | 372 | 112 | 9 | 65 | 37 |  |  | 1 | 260 | 92 | 144 | 6 | 6 | 2 | 10 |
| BG | 2 | 2 |  | 1 | 1 |  |  |  | 0 |  |  |  |  |  |  |
| CZ | 51 | 0 |  |  |  |  |  |  | 51 | 1 | 35 |  |  | 15 |  |
| DK | 66 | 2 | 2 |  |  |  |  |  | 64 | 29 | 22 |  | 5 | 2 | 6 |
| DE | 1.532 | 62 | 1 | 3 | 53 | 3 | 1 | 1 | 1.470 | 81 | 692 | 10 | 236 | 428 | 23 |
| EE | 7 | 5 | 4 | 1 |  |  |  |  | 2 |  | 2 |  |  |  |  |
| IE | 20 | 4 |  |  | 4 |  |  |  | 16 | 3 | 4 | 1 | 6 | 2 |  |
| EL | 45 | 11 | 1 | 4 | 1 |  |  | 5 | 34 | 2 | 7 | 25 |  |  |  |
| ES | 311 | 29 | 1 | 1 | 21 | 6 |  |  | 282 | 101 | 43 | 18 | 83 | 34 | 3 |
| FR | 285 | 49 | 21 | 14 | 14 |  |  |  | 236 | 63 | 81 | 60 |  | 32 |  |
| HR | 8 | 2 | 1 | 1 |  |  |  |  | 6 | 2 | 4 |  |  |  |  |
| IT | 160 | 29 | 1 | 5 | 17 | 4 | 2 |  | 131 | 22 | 77 | 29 |  | 3 |  |
| CY | 1 | 0 |  |  |  |  |  |  | 1 |  |  |  |  |  | 1 |
| LV | 24 | 14 | 11 | 3 |  |  |  |  | 10 |  | 8 |  | 1 | 1 |  |
| LT | 27 | 17 |  |  | 17 |  |  |  | 10 | 1 | 9 |  |  |  |  |
| LU | 1 | 0 |  |  |  |  |  |  | 1 | 1 |  |  |  |  |  |
| HU | 54 | 1 |  | 1 |  |  |  |  | 53 | 11 | 42 |  |  |  |  |
| MT | 0 | 0 |  |  |  |  |  |  | 0 |  |  |  |  |  |  |
| NL | 407 | 7 | 2 | 4 |  |  | 1 |  | 400 | 135 | 194 |  |  | 71 |  |
| AT | 47 | 6 |  | 2 | 4 |  |  |  | 41 | 1 | 25 | 3 |  | 7 | 5 |
| PL | 140 | 26 | 11 | 10 | 1 |  |  | 4 | 114 | 32 | 77 | 4 |  | 1 |  |
| PT | 11 | 5 |  | 3 | 2 |  |  |  | 6 |  | 1 | 5 |  |  |  |
| RO | 57 | 5 | 1 |  | 4 |  |  |  | 52 |  |  | 52 |  |  |  |
| SI | 10 | 2 |  |  | 2 |  |  |  | 8 | 1 | 7 |  |  |  |  |
| SK | 7 | 1 | 1 |  |  |  |  |  | 6 |  | 3 | 1 |  | 2 |  |
| FI | 58 | 4 | 4 |  |  |  |  |  | 54 | 31 | 7 |  |  | 16 |  |
| SE | 174 | 1 |  | 1 |  |  |  |  | 173 | 7 | 113 | 14 |  | 39 |  |
| UK | 785 | 29 | 29 |  |  |  |  |  | 756 | 2 | 472 |  |  | 282 |  |
| **Total** | **4.662** | **425** | **100** | **119** | **178** | **13** | **4** | **11** | **4.237** | **618** | **2.069** | **228** | **337** | **937** | **48** |

**Annex 10**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Recovery rates (RR) per Member State 2019** | | | | | | |
| **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 | 19.181.599 | 11.636.369 | 61% | 12.993.710 | 4.809.905 | 37% |
| BG | 550.584 | 0 | 0% |  |  |  |
| CZ |  |  |  | 4.320.263 | 4.306.668 | 100% |
| DK | 145.933 | 145.933 | 100% | 3.235.375 | 2.934.978 | 91% |
| DE | 31.116.051 | 4.497.133 | 14% | 100.701.191 | 97.779.828 | 97% |
| EE | 28.636 | 28.636 | 100% | 100.577 | 100.577 | 100% |
| IE | 0 | 0 |  | 1.126.778 | 1.084.728 | 96% |
| EL | 1.405.641 | 69.498 | 5% | 1.589.471 | 425.524 | 27% |
| ES | 848.296 | 716.907 | 85% | 23.487.949 | 22.360.825 | 95% |
| FR | 5.392.460 | 1.577.170 | 29% | 18.827.771 | 12.278.104 | 65% |
| HR | 393.202 | 393.202 | 100% | 127.895 | 127.895 | 100% |
| IT | 1.499.644 | 267.863 | 18% | 11.710.273 | 5.941.329 | 51% |
| CY |  |  |  | 10.463 | 10.463 | 100% |
| LV | 74.776 | 74.776 | 100% | 283.309 | 196.851 | 69% |
| LT | 18.933 | 18.933 | 100% | 968.112 | 957.234 | 99% |
| LU |  |  |  | 111.376 | 111.376 | 100% |
| HU | 26.502 | 26.502 | 100% | 3.439.343 | 1.056.493 | 31% |
| MT |  |  | 0% |  |  |  |
| NL | 2.500.608 | 861.884 | 34% | 95.215.885 | 22.058.771 | 23% |
| AT | 1.088.949 | 57.392 | 5% | 3.840.011 | 1.133.035 | 30% |
| PL | 1.024.147 | 75.347 | 7% | 5.488.751 | 5.253.391 | 96% |
| PT | 1.043.512 | 19.351 | 2% | 190.466 | 190.466 | 100% |
| RO | 179.433 | 4.539 | 3% | 3.404.332 | 2.617.685 | 77% |
| SI | 64.994 | 64.994 | 100% | 438.273 | 426.537 | 97% |
| SK | 0 | 0 |  | 407.702 | 407.702 | 100% |
| FI | 226.260 | 1.157 | 1% | 8.024.990 | 3.714.311 | 46% |
| SE | 76.914 | 36.537 | 48% | 8.977.340 | 7.816.759 | 87% |
| UK | 0 | 0 |  | 85.076.121 | 43.081.480 | 51% |
| TOTAL | 66.887.074 | 20.574.121 | 31% | 394.097.728 | 241.182.917 | 61% |

**Annex 11**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **TOR: Examination of write-off cases in 2019** | | | | | | | | | | |
| **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 | 118.064 | 1 | 1.305.392 |  | 2.912 | 2 | 2 | 1.426.368 |
| CY |  |  | 1 | 240.966 |  |  |  |  | 1 |  | 240.966 |
| CZ | 1 | 62.735 |  |  |  |  |  |  | 1 |  | 62.735 |
| DE | 4 | 1.429.124 | 9 | 5.536.560 | 33 | 10.961.686 |  |  | 46 | 7 | 17.927.369 |
| ES | 10 | 3.152.106 | 15 | 9.282.687 | 4 | 1.873.338 |  |  | 29 |  | 14.308.130 |
| FI | 3 | 405.174 |  | 31.498 |  |  |  |  | 3 | 1 | 436.671 |
| FR |  |  | 1 | 103.958 | 2 | 202.764 |  |  | 3 | 1 | 306.722 |
| GR | 1 | 1.392.941 | 1 | 8.076.640 | 4 | 1.339.374 |  |  | 6 | 1 | 10.808.955 |
| HU |  |  |  |  |  |  | 1 | 547.704 | 1 |  | 547.704 |
| IT | 3 | 5.941.231 | 3 | 1.483.595 | 13 | 14.209.456 |  |  | 19 | 3 | 21.634.282 |
| LT | 1 | 973.491 |  |  | 1 | 1.178.576 |  |  | 2 |  | 2.152.067 |
| LV |  |  |  |  | 4 | 1.359.655 |  |  | 4 |  | 1.359.655 |
| NL | 12 | 7.476.314 | 4 | 3.528.736 | 34 | 25.932.645 |  |  | 50 |  | 36.937.694 |
| PL | 1 | 283.145 | 4 | 3.890.052 |  | 8.890 |  |  | 5 | 2 | 4.182.086 |
| PT |  |  | 1 | 123.541 |  |  |  |  | 1 |  | 123.541 |
| RO | 4 | 1.575.572 | 3 | 1.085.966 | 11 | 3.447.163 |  |  | 18 | 3 | 6.108.701 |
| SE |  |  |  |  | 1 | 1.659.463 |  |  | 1 |  | 1.659.463 |
| SI |  |  |  |  | 1 | 185.164 |  |  | 1 |  | 185.164 |
| **TOTAL** | **40** | **22.691.832** | **43** | **33.502.262** | **109** | **63.663.565** | **1** | **550.616** | **193** | **20** | **120.408.275** |

**\*** Total cases (not including assessed twice)

**ANNEX 12**

*Classification of cases in relation to Common Agricultural Policy 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). [[28]](#footnote-28) 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 European Agricultural Fund for Rural Development (EAFRD) funding.[[29]](#footnote-29)

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). [[30]](#footnote-30) In addition, it has been considered that there are 112 irregularities where the field 'Fund' makes reference 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. 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 BLANK.

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)[[31]](#footnote-31). 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 associate 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 MIX (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 MIX (36 cases). The other irregularities (14 cases) have been classified as BLANK.
* 'BLANK', where information has not been considered enough to assign the case to RD, SA or SA/RD[[32]](#footnote-32)**.**

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 along 2 main chapters:[[33]](#footnote-33)

* 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 RD 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[[34]](#footnote-34), in:
  + B01-1 'Plant products';
  + B01-2 'Animal products'.

**ANNEX 13**

*Categories of irregularities and related types*

*Tables NR12-NR15, PA9, PA10*

The categories used in Tables NR12-NR15, PA9, PA10 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 |
| T16/99: 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 subject-matter 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 |
| 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 without competition |
| 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 CP14, CP15, CP25, CP26*

The categories used in Tables CP14, CP15, CP25, CP26 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 14**

*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 Fraud Detection Rate (FDR) and the Irregularity Detection Rate (IDR) in relation to '*Intervention in agricultural markets'* and '*direct payments'.*

A part 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. These 'mixed' cases have been included with their full financial amount in all policy measures affected.

FDR and IDR for '*Intervention in agricultural markets*' in Table NR16a 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 NR16a 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

792

120 777 108

Intervention agri. markets

144

118 427 516

Direct payments

522

23 400 090

1

156 238

Mixed or unclear

4

33 723

43

3 851 669

2

1 956 428

***Fig. NR1: Irregularities and amounts reported as fraudulent by type of expenditure – 2015-2019***

Rural development

10 506

579 374 957

3

Intervention agri. markets

1 695

255 652 560

Direct payments

3 020

125 289 727

3

59 835

Mixed or unclear

119

4 056 955

239

19 549 233

***Fig. NR2: Irregularities and amounts not reported as fraudulent by type of expenditure – 2015-2019***

1

10 371

Rural development

11 298

700 152 065

Intervention agri. markets

1 839

374 080 076

Direct payments

3 542

148 689 817

4

216 073

Mixed or unclear

123

4 090 678

282

23 400 902

2

1 956 428

1

10 371

***Fig. NR3: Irregularities and amounts reported by type of expenditure – 2015-2019***

Table NR16b 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. EUR 118 427 516, for the FDR). The same applies to '*direct payments*'.



Figures in Table NR16a 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 NRb 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. [[35]](#footnote-35)

As FDR and IDR in Tables NR16a and NR16b 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 NR16c 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.

Unclear

1

12 492

***Fig. NR4: Irregularities and amounts reported as fraudulent by type of expenditure – 2015-2019***

Support to agriculture

676

142 724 575

48

5 829 328

Rural development

792

120 777 108

***Fig. NR5: Irregularities and amounts not reported as fraudulent by type of expenditure – 2015-2019***

334

22 492 236

Rural development

10 506

579 374 957

Unclear

25

1 124 683

Support to agriculture

4 840

427 544 212

***Fig. NR6: Irregularities and amounts reported by type of expenditure – 2015-2019***

Unclear

26

1 137 175

382

28 321 564

Rural development

11 298

700 152 065

Support to agriculture

5 516

570 268 787

Table NR16d 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. EUR 5 829 328+12 492 for the FDR). The same applies to '*support to agriculture*'. Therefore, FDR and IDR in Table NR16d are somehow inflated and represent the upper limit.



As FDR and IDR in Tables NR16c and NR16d are similar, it can be concluded that they are not significantly sensitive to this 'mixed' cases issue. The biggest variation concerns IDR for RD and it is just 0.04.

**ANNEX 15**

*Classification of Legal Entity Types by Country and Category*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Private Company** | **Public Company** | **Simple Structures** | **Non-Profit & Cooperatives** | **Nat'l Gov't** | **Sub-nat’l Gov't** |
| **AT** | GmbH |  |  | Verein |  |  |
| **BG** | ООД; ЕООД | АД | ЕТ; ЕАД | Religious body; Асоциация; Съюз |  | Община |
| **CY** | Ltd |  |  |  |  |  |
| **CZ** | s.r.o. | a.s. |  | Škola; univerzita; Vysoké učení; o.s.; o.p.s.; z.s. | Ministerstvo | Obec; Kraj; Mesto |
| **DE** | oHG; KG; GmbH; GmbH & Co.KG; gGmbH; UG | AG | e.K.;  Partnerschaft | eG; e.V.; Stiftungen |  | Gemeinde |
| **DK** | Ltd; ApS | A/S; IVS | K/S |  |  |  |
| **EE** | OÜ | AS |  | Mittetulundusühing; Sihtasutus |  | Vallavalitsus |
| **ES** | S.L. | S.A. | S.C. | Asociación; Fundación | Departamentos ministeriales, Organismos Autónomos, Agencias Estatales, Entidades Públicas Empresariales; Autoridades Administrativas Independientes | Comunidades Autónomas/Entidades Locales; |
| **FI** | Oy |  |  |  |  |  |
| **FR** | EARL; SARL; SAS | SA | EURL; SCA; SCEA | Association; Union | Établissement public administratif | CCAS |
| **GR** | M.E.P.E | A.E | Ε.Ε.; Ο.Ε. |  |  |  |
| **HR** | d.o.o. | d.d. |  |  | Ministarstvo |  |
| **HU** | Kft.; zrt. |  | bt. | Szöv; |  | Önkormányzat |
| **IE** |  |  | Partnership |  |  |  |
| **IT** | S.r.l.; S.c.a.r.l. | S.p.a. | S.a.S.; S.s. | Consorzio; Societa Cooperativa; Associazione |  | Comune |
| **LT** | UAB |  | MB | Asociacija | departamentas | savivaldybės administracija |
| **LV** | SIA | AS | IK | Asociācija; biedrība; nodibinājums | Valsts pārvaldes iestāde; Ministrija | novada dome; Pilsētas dome; Novada pašvaldība; Pagasta pārvalde;  Plānošanas reģions |
| **MT** | Ltd |  |  |  |  |  |
| **NL** | bv | nv | Mts | Stichting |  |  |
| **PL** | Sp. z o.o. | s.a. | s.c.; sp.j.; sp.k; sp.p. | Uniwersytet; Spółdzielnia;  Religious body; Izba; Stowarzyszenie ; Unia; Zrzeszenie;  Fundacja | Ministerstwo | Miasto; Gmina; Powiat |
| **PT** | Lda | S.A. |  | Escola Profissional;  Universidade; CRL; Associação; |  | Municipio |
| **RO** | S.R.L. | S.A. | PFA; II | Academia; Colegiul; Universitatea; Societate Cooperativa; Religious body; Asociatia; Fundatia; Federatia; NGO | Agenţia Naţională;  Compania Nationala;  Ministry | Comuna; Obstea; Primaria Municipiului;  UAT |
| **SE** |  |  |  |  |  | Kommun |
| **SI** | d.o.o. | d.d. |  |  |  | Občina |
| **SK** | s.r.o. | a.s. |  | University; škola;  Vysoká škola; Asociácia; Združenie | Ministerstvo | Obec; Mesto; Kraj |
| **UK** | Ltd. |  |  |  | Department; Agency | Council |

ANNEX 16

**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. Source: <https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/preaccession-assistance_en> [↑](#footnote-ref-1)
2. 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. Source: <https://europa.eu/european-union/about-eu/countries_en>. [↑](#footnote-ref-2)
3. Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. [↑](#footnote-ref-3)
4. Source: <https://ec.europa.eu/neighbourhood-enlargement/instruments/former-assistance_en>. [↑](#footnote-ref-4)
5. See Council Regulation (EC) 1085/2006 of 17 July 2006, OJ L 210, 31.7.2006, p. 82-93. [↑](#footnote-ref-5)
6. Source: <https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en>. [↑](#footnote-ref-6)
7. Managed by DG NEAR. [↑](#footnote-ref-7)
8. Managed in part by DG NEAR and in part, under shared management with Member States, by the Directorate-General for Regional and Urban Policy (DG REGIO). [↑](#footnote-ref-8)
9. Managed by DG REGIO. [↑](#footnote-ref-9)
10. Managed by the Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL). [↑](#footnote-ref-10)
11. Managed by the Directorate-General for Agriculture and Rural Development (DG AGRI). [↑](#footnote-ref-11)
12. Source: <https://ec.europa.eu/regional_policy/en/funding/ipa/>. [↑](#footnote-ref-12)
13. 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.; Source: <https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en>. [↑](#footnote-ref-13)
14. 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. [↑](#footnote-ref-14)
15. Source: <https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en>. [↑](#footnote-ref-15)
16. “Instrument for Pre-Accession Assistance (IPA II)” Multi-Country Indicative Strategy Paper (2014-2020) adopted on 30/06/2014 available at: <http://ec.europa.eu/enlargement/pdf/key_documents/2014/20140919-multi-country-strategy-paper.pdf> . [↑](#footnote-ref-16)
17. PHARE, SAPARD, TIPAA and ISPA. [↑](#footnote-ref-17)
18. CBC-IPA, HRD, IPARD, REGD and TAIB. [↑](#footnote-ref-18)
19. CBC-IPA, IPARD, REGD and TAIB. [↑](#footnote-ref-19)
20. This includes charts PA2, PA3, PA5, PA6, PA8, PA9 and PA10. [↑](#footnote-ref-20)
21. 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. [↑](#footnote-ref-21)
22. For the purpose of this analysis, when reference is made to person or entity, without further specification, it is a reference to both type of person/entity (natural and legal). When reference is only to natural or to legal person/entity, this is specified. [↑](#footnote-ref-22)
23. The actual organisational status has not been verified on the basis of searches of the specific entities involved, but it has been deduced based on identifiers in the names of the persons involved (i.e., companies with “Ltd” in their name were identified as private limited companies, etc.). [↑](#footnote-ref-23)
24. 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-24)
25. Excluding administrative expenditure. Own calculation based on ABAC data. [↑](#footnote-ref-25)
26. Recovery items mean ‘recovery context’ elements in ABAC. There can be more recovery context elements associated to one recovery order issued. [↑](#footnote-ref-26)
27. ‘Irregularities reported as fraudulent’ are cases of recovery items qualified in the ABAC system as ‘OLAF notified’. [↑](#footnote-ref-27)
28. 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-28)
29. 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-29)
30. 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-30)
31. 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-31)
32. See above. [↑](#footnote-ref-32)
33. 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-33)
34. B01-3 covered "Ancillary expenditure", B01-6 "Monetary reserve". [↑](#footnote-ref-34)
35. 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. [↑](#footnote-ref-35)