



Brussels, 3.9.2018  
SWD(2018) 386 final

PART 1/2

**COMMISSION STAFF WORKING DOCUMENT**

**Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure**

*Accompanying the document*

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

**29th Annual Report on the Protection of the European Union's financial interests - Fight  
against fraud - 2017**

{COM(2018) 553 final} - {SWD(2018) 381 final} - {SWD(2018) 382 final} -  
{SWD(2018) 383 final} - {SWD(2018) 384 final} - {SWD(2018) 385 final}

# Statistical evaluation of irregularities reported for 2017 Own Resources, Natural Resources, Cohesion Policy, Pre-accession and Direct Expenditure

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## 1. INTRODUCTION

### 1.1. Scope of the document

The present document<sup>1</sup> is based on the analysis of the notifications provided by national authorities of cases of irregularities and suspected or established fraud. The reporting is performed in fulfilment of a legal obligation enshrined in sectoral European legislation.

The document accompanies the Annual Report adopted on the basis of article 325(5) of the Treaty on the Functioning of the European Union (TFEU), according to which “The Commission, in cooperation with Member States, shall each year submit to the European Parliament and to the Council a report on the measures taken for the implementation of this article”.

For this reason, this document should be regarded as an analysis of the achievements of Member States.

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

### 1.2. Structure of the document

The present document is divided in two parts.

The first part is dedicated to the analysis of irregularities reported in the area of the Traditional Own Resources (Revenue).

The second part, concerning the expenditure part of the budget, is composed of three sections, dedicated, respectively, to shared, decentralised and centralised management modes.

The section dedicated to shared management, covers agriculture, cohesion policy and fisheries and other internal policies. Decentralised management refers to the pre-accession policy, while the centralised management section mainly deals with internal and external policies for which the Commission directly manages the implementation.

The document is completed by 28 country factsheets, which summarise, for each Member State, the main indicators and information that have been recorded throughout the analyses.

16 Annexes complement the information and data of this document, providing a global overview of the irregularities reported according to the relevant sector regulations. Annexes 1 to 10 concern Traditional Own Resources, Annexes 11 to 15 complement information on the methodology for the analysis of irregularities concerning expenditure, Annex 16 covers all the expenditure sectors for which Member States and beneficiary countries have a reporting obligation.

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

<sup>2</sup> SWD(2016)237final, [http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

## Part I - REVENUE

### 2. TRADITIONAL OWN RESOURCES

#### 2.1. Introduction

The technical explanations and the statistical approach are explained in the accompanying document 'Methodology regarding the statistical evaluation of reported irregularities for 2015'.

The following analysis is based on the data available on the cut-off date (15 March 2018) and aims to provide an overview of the reported cases of fraud and irregularities reported for 2017 together with their financial impact.

#### 2.2. General analysis – Trend analysis

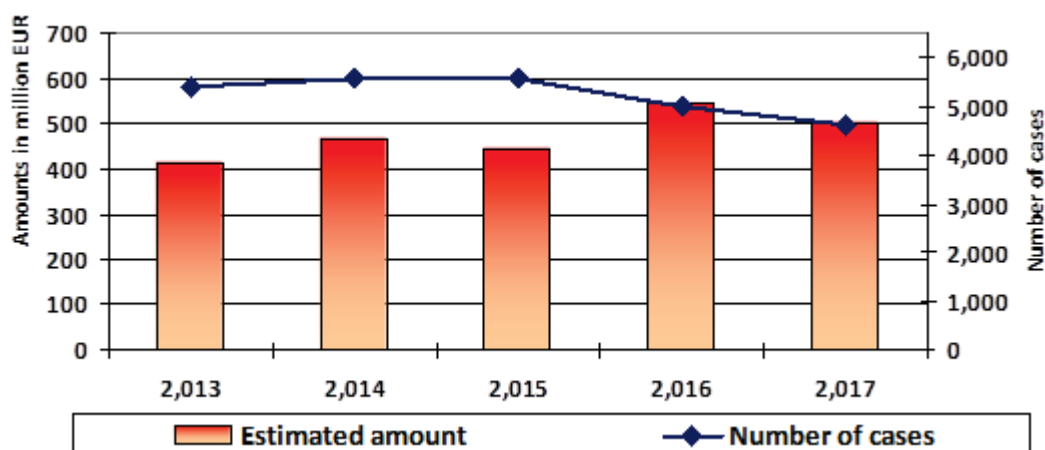
##### 2.2.1. Reporting Years 2013-2017

The number of cases reported via OWNRES for 2017 (4 636) is about 11% lower than the average number of irregular cases reported for the 2013-2017 period (5 222).

The total estimated and established amount of TOR involved (EUR 502 million) is about 6 % higher than the average estimated and established amount for years 2013-2017 (EUR 475 million).

In 2017, 3 big<sup>3</sup> cases for a total amount of about EUR 41 million<sup>4</sup> were reported compared to 2016, when 5 big cases with a total amount of about EUR 115 million affected the total estimated and established amount. Luxemburg did not communicate any case exceeding an amount of EUR 10 000.

CHART TOR1: Total number of OWNRES cases and the related estimated and established amount (2013-2017)



Annex 1 of the summary tables shows the situation on the cut-off date (15 March 2018) for the years 2013-2017.

##### 2.2.1.1. Irregularities reported as fraudulent

The number of cases reported as fraudulent registered in OWNRES for 2017 (441) is currently 33% lower than the average number of cases reported for the 2013-2017 period (658).

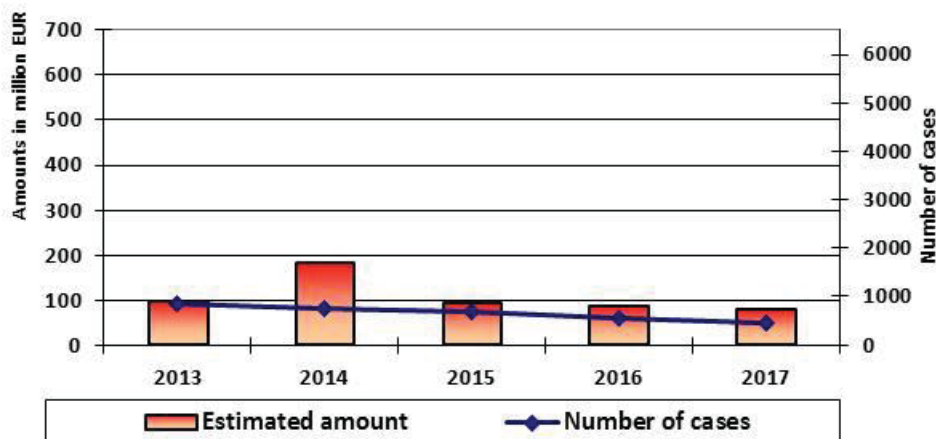
<sup>3</sup> Cases with an amount of TOR exceeding EUR 10 million.

<sup>4</sup> NL (2 cases – EUR 30.5 million) and the UK (1 case – EUR 10.4 million).

The total estimated and established amount of TOR involved (EUR 76 million) represents a decrease of 28% of the average estimated and established amount for the years 2013-2017 (EUR 106 million).

For 2017, Luxemburg, Czech Republic and Slovakia did not communicate any fraudulent case exceeding an amount of EUR 10 000.

*CHART TOR2: OWNRES cases reported as fraudulent and the related estimated and established amount (2013-2017)*



On the cut-off date (15 March 2018), 9.5 % of all cases detected in 2017 were classified as fraudulent. The percentage decreased slightly in comparison to 2016 (11 %).

Annex 2 of the summary tables shows the situation on the cut-off date for years 2013-2017.

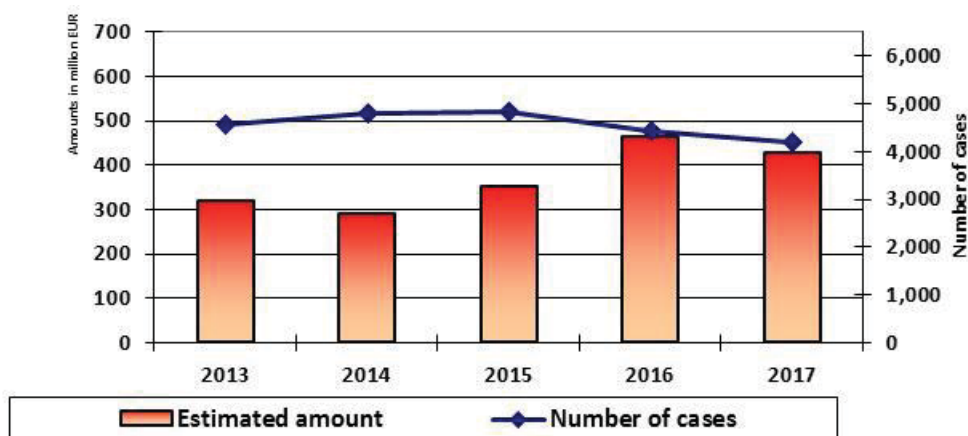
#### 2.2.1.2. Irregularities not reported as fraudulent

At the same time, the number of cases not reported as fraudulent communicated via OWNRES for 2017 (4 195) was 8% lower than the average number reported for 2013-2017 (4 564).

The total estimated and established amount of TOR (EUR 425 million) was 15 % higher than the average estimated and established amount for the years 2013-2017 (EUR 369 million).

Luxemburg and Malta did not report any case of irregularity exceeding an amount of EUR 10 000 for 2017.

*CHART TOR3: OWNRES cases not reported as fraudulent and the related estimated and established amount (2013-2017)*



Annex 3 of the summary tables shows the situation on the cut-off date for years 2013-2017.

### 2.2.2. OWNRES data vs TOR collection

In 2017, the total established amount of TOR (gross) was EUR 25.6 billion and more than 98% was duly recovered and made available to the Commission via the A-account. According to the OWNRES data, around EUR 502 million has been established or estimated by the Member States in connection with cases reported as fraudulent/non fraudulent where the amount at stake exceeds EUR 10 000.

The total estimated and established amount reported in OWNRES represent 1.96 % of the total collected TOR (gross) amount in 2017<sup>5</sup>. This proportion has decreased compared with 2016 when it was 2.14 %<sup>6</sup>. A percentage of 1.96 % indicates that of every EUR 100 of TOR (gross) established, an amount of EUR 1.96 is registered as irregular (fraudulent or non-fraudulent) in OWNRES.

TOR Map1 shows the estimated and established amount reported in OWNRES as a percentage of the collected TOR (gross) amount, by Member State. Further details can be found in Annex 4. There are differences among the Member States. In 11 Member States<sup>7</sup>, the percentage is above the average of 1.96 %. The highest percentage for 2017 can be seen in Greece, Spain and Hungary with 7.17 %, 4.31 % and 3.35 %.

For the seven<sup>8</sup> Member States which established and made available most of the TOR amounts, the average percentage of the estimated and established OWNRES amounts to established TOR for 2017 was equal to 2.02 %. In comparison with the previous year (2.13%), this represents a decrease of 0.11%. For Belgium, the proportion of estimated and established OWNRES amounts to established TOR increased in 2017 (1.14%) compared to the previous year (0.62%), while for Germany it has increased from 1.39% to 1.80%. For the other five Member States, the average proportion of estimated and established OWNRES amounts to established TOR declined in 2017 (2.28%) compared to the previous year (2.66%).

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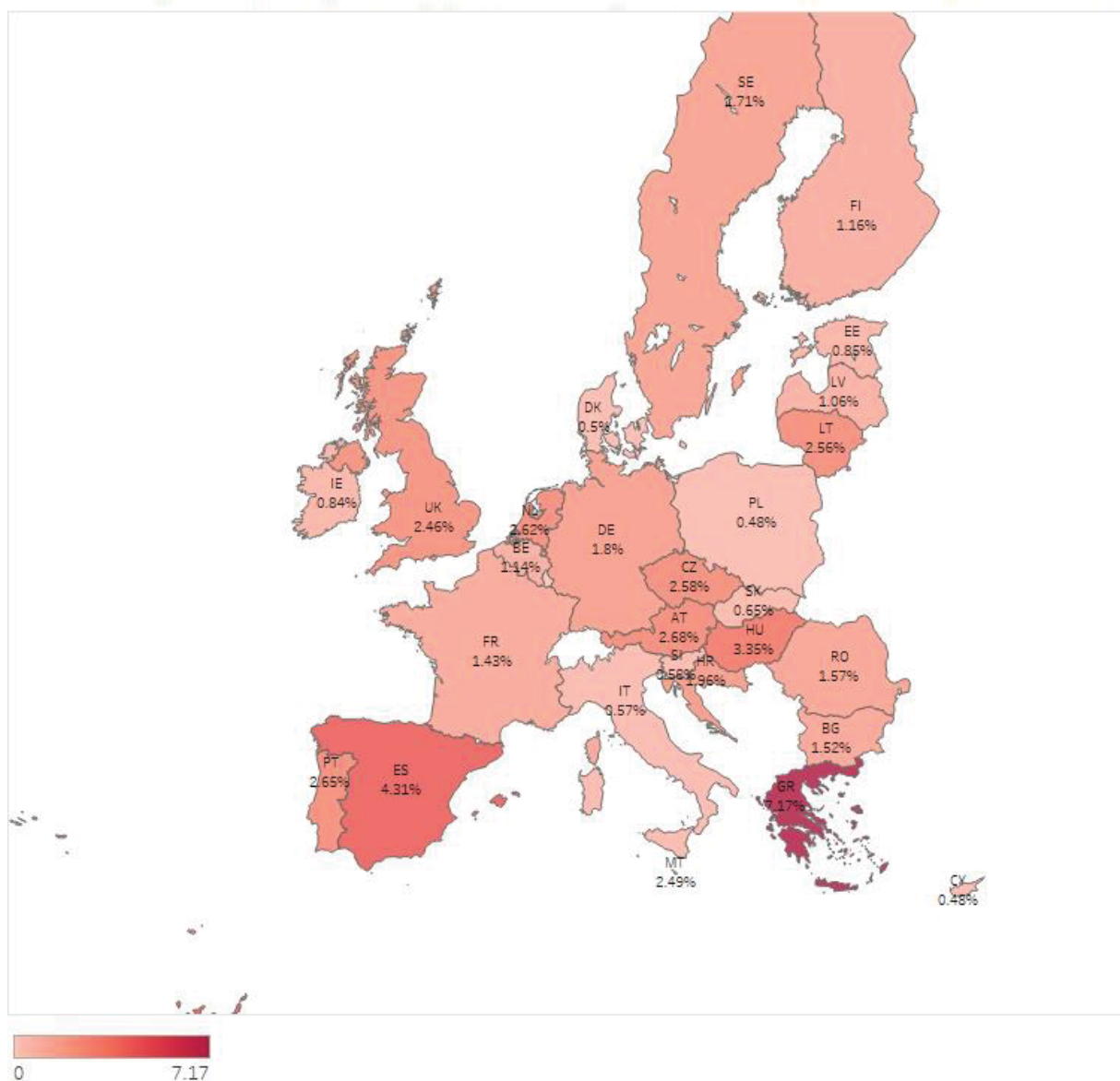
<sup>5</sup> See Annex 4.

<sup>6</sup> On the cut-off date for last year report.

<sup>7</sup> Greece, Czech Republic, Spain, Malta, Lithuania, Hungary, the Netherlands, Austria, Portugal, Croatia and the UK.

<sup>8</sup> Germany, UK, the Netherlands, Belgium, Italy, France and Spain.

TOR MAP1: Showing the percentage of estimated and established amount in OWNRES of established TOR for 2017



### 2.2.3. Recovery

The fraud and irregularity cases detected in 2017 correspond to an established amount of EUR 483 million<sup>9</sup>. Nearly EUR 212 million<sup>10</sup> of this was recovered in cases where an irregularity was at stake and EUR 15 million<sup>11</sup> in fraudulent cases. In total EUR 227 million was recovered by all Member States for all cases which were detected in 2017. In absolute figures, Germany recovered the highest amount in 2017 (EUR 76 million) followed by the UK (EUR 55 million). This is a starting point for the recovery. Analysis shows that lengthy recovery procedures spread over several years are usually required due to administrative and judicial procedures in complex cases or cases with huge financial impact.

In addition, Member States continued their recovery actions related to the detected cases of previous years.

<sup>9</sup> The estimated amounts are excluded.

<sup>10</sup> See Annex 9.

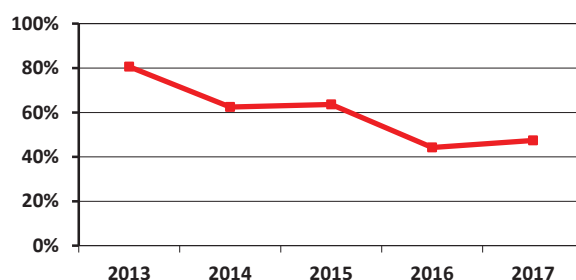
<sup>11</sup> See Annex 9.



### 2.2.3.1. Recovery rates

Over the past five years the annual recovery rate has varied between 44 % and 80 % (see Chart TOR4). The recovery rate for cases reported in 2017 is currently 47 %<sup>12</sup>. In other words, out of every amount over EUR 10 000 of duties established and reported for 2017 in OWNRES as irregular/fraudulent, approximately EUR 4 700 has already been paid.

CHART TOR4: Annual recovery rates (2013-2017)



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

Recovery rates vary among the Member States. The highest recovery rates for 2017 are in Slovenia (100%), Slovakia (98%), Ireland (97%), Finland (88 %), Hungary (87 %), Austria (83%) and Germany (82%). Differences in recovery results may arise from factors such as the type of fraud or irregularity, or the type of debtor involved. It can be expected that the recovery rate for 2017 will also go up in the future.

On the cut-off date (15 March 2018), the overall recovery rate for all years 1989-2017 was 62%.

## 2.3. Specific analysis

### 2.3.1. Irregularities reported as fraudulent

#### 2.3.1.1. Modus operandi

A breakdown by types of fraud reveals that incorrect origin or country of dispatching, smuggling of goods, incorrect value or incorrect classification/misdescription are frequently mentioned in 2017 for cases reported as fraudulent.

In 2017, the customs procedure 'release for free circulation' remained the procedure most vulnerable to fraud (71 % of the number of cases and 67 % of the estimated and established amount). A total of 19 % of all cases reported as fraudulent and 11% of all estimated and established amounts in OWNRES cases registered as fraudulent for 2017 fall under the category "Other"<sup>13</sup>. A total of 7 % of all cases reported as fraudulent and 20 % of all estimated and established amounts in OWNRES cases registered as fraudulent for 2017 involve the transit procedure.

<sup>12</sup> See Annex 5.

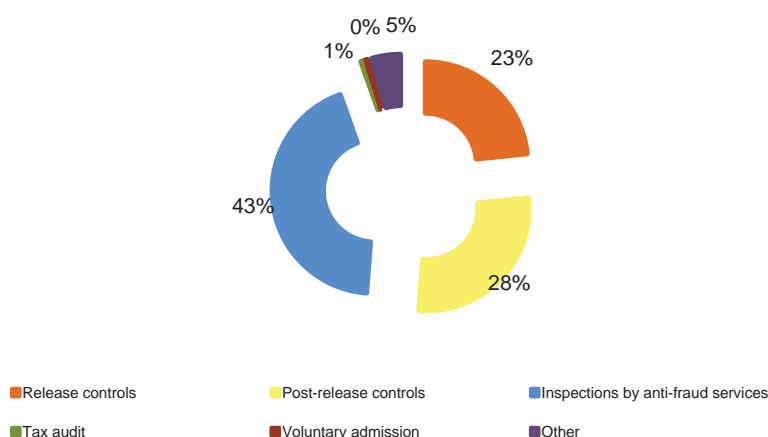
<sup>13</sup> The category "Other" combines, among others, the following procedures or treatments: Processing under customs control, temporary admission, outward processing and standard exchange system, exportation, free zone or free warehousing, re-exportation, destruction and abandonment to the Exchequer.

Of all cases reported as fraudulent about 74 % concern such goods as tobacco, electrical machinery and equipment, preparation of foodstuffs, vehicles, textiles and articles of iron and steel. In monetary terms those groups of goods represent about 78 % of all amounts estimated and established for cases reported as fraudulent. China, United States, Ukraine, Switzerland, Turkey and Singapore are the most important - in monetary terms - countries of origin of goods affected by fraud.

### 2.3.1.2. Method of detection of fraudulent cases

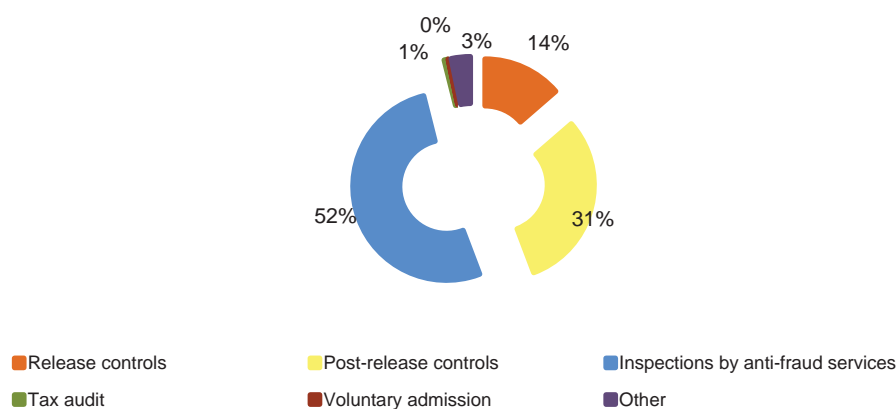
In 2017<sup>14</sup>, inspections by anti-fraud services (43 %) was the most successful method of detecting fraudulent cases followed by customs controls carried out at the time of clearance of goods (23 %) and post-clearance controls (28 %).

CHART TOR5: Method of detection 2017 – Cases reported as fraudulent – by number of cases



In monetary terms, of the EUR 76 million estimated or established in fraudulent cases registered for 2017, around 52 % were discovered during an inspection by anti-fraud services, 31% during a post-clearance control, 14 % during a control at the time of clearance of goods.

CHART TOR6: Method of detection 2017 – Cases reported as fraudulent – by estimated and established amount



<sup>14</sup> See Annexes 7 and 8.

In 11 Member States more than 50 % of all estimated and established amount in fraudulent cases were detected by anti-fraud services<sup>15</sup>. As regards amounts, controls at the time of clearance of goods were the most important method for detecting fraudulent instances in Estonia, Croatia, Latvia, Malta, Portugal, Finland and the United Kingdom whereas post-clearance controls were in Denmark, Hungary, The Netherlands, Austria, Poland and Sweden.

In Belgium, Ireland, Romania and Slovenia the 100% of all estimated and established amounts in fraudulent cases were detected by an inspection by services or bodies other than customs.

### 2.3.1.3. Smuggled cigarettes

In 2017, there were 173 cases of smuggled cigarettes registered (CN code<sup>16</sup> 24 02 20 90) involving estimated TOR of around EUR 25 million. In 2016 the number of cases of smuggled cigarettes was 147, totalling around EUR 25 million.

The highest number of cases was reported by Lithuania (32), Greece (25) and Spain (23). The highest amount was reported by Belgium (EUR 8.3 million). No cases were reported by 8 Member States<sup>17</sup>.

Table TOR1: Cases of smuggled cigarettes in 2017

TOR: Cases of smuggled cigarettes* in 2017		
MS	Cases	Established and estimated amount
	N	EUR
BE	6	8,398,356
BG	13	932,741
DE	8	2,077,388
EE	4	310,930
IE	1	33,992
EL	25	6,035,357
ES	23	1,641,917
FR	14	1,061,769
HR	1	26,973
LV	5	242,464
LT	32	1,249,008
HU	2	285,790
MT	2	366,319
AT	2	140,113
PL	11	772,368
PT	2	269,552
RO	7	370,351
FI	3	53,375
SE	2	26,971
UK	10	685,939
<b>Total</b>	<b>173</b>	<b>24,981,673</b>

\* CN code 2402 2090

<sup>15</sup> Belgium, Bulgaria, Germany, Ireland, Greece, Spain, Italy, Cyprus, Lithuania, Romania and Slovenia.

<sup>16</sup> Combined nomenclature or CN –nomenclature of the Common Customs Tariff.

<sup>17</sup> Czech Republic, Denmark, Italy, Cyprus, Luxembourg, the Netherlands, Slovenia and Slovakia.

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

In 2017, the estimated and established amount was below EUR 50 000 in 303 cases reported as fraudulent (69 % of all fraud cases), whereas it was above EUR 50 000 in 138 cases (31%).

The total estimated and established amount in cases reported as fraudulent, where the amount at stake was above EUR 50 000, amounted to EUR 54 million (70 % of the total estimated and established amount for cases reported as fraudulent).

Table TOR2: Cases reported as fraudulent by amount category in 2017

Amount, EUR	N	Estimated and established amount, EUR
< 50 000	303	22,639,569
>= 50 000	138	53,747,139
<b>Total</b>	<b>441</b>	<b>76,386,708</b>

#### 2.3.2. Irregularities not reported as fraudulent

##### 2.3.2.1. Modus operandi

A breakdown of irregularities by type of fraud shows that most cases of irregularity related to incorrect declarations (incorrect classification, customs value or country of origin or dispatch) and formal shortcomings (removal of goods from customs supervision, incorrect use of preferential arrangements or failure to fulfil obligations or commitments).

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

In 2017 most of the estimated and established amounts in OWNRES in the EU-28 (83 %) for cases reported as non-fraudulent related to the customs procedure ‘release for free circulation’.<sup>18</sup> 4% of all amounts estimated or established in cases not reported as fraudulent in 2017 involved customs warehousing, 11 % of all amounts estimated or established related to inward processing. Other customs procedures are only marginally affected in 2017.

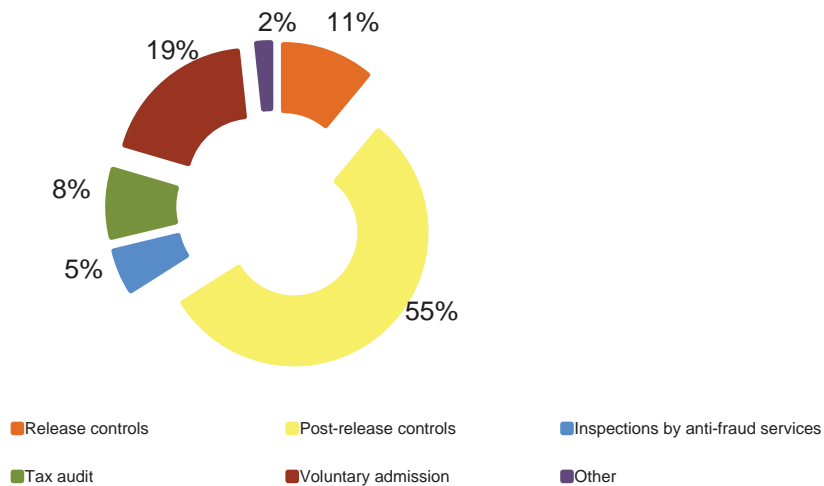
Of all cases reported as non-fraudulent about 49 % concern electrical and mechanical machinery, vehicles, mechanical appliances, plastics, articles of iron and steel, glass and glassware and textiles. In monetary terms those groups of goods represent about 53 % of all amounts estimated or established for cases reported as non-fraudulent. China, United States, Argentina, Sri-Lanka, Thailand, Japan are - in monetary terms – the most important countries of origin of goods affected by irregularities.

<sup>18</sup> See Annex 6.

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

In 2017, most non-fraudulent cases (55 %) were revealed during post-clearance customs controls. Other methods of detection for non-fraudulent cases that featured frequently were voluntary admission (19 %), clearance controls (11 %), tax audits (8 %), followed by anti-fraud services (5 %) <sup>19</sup>.

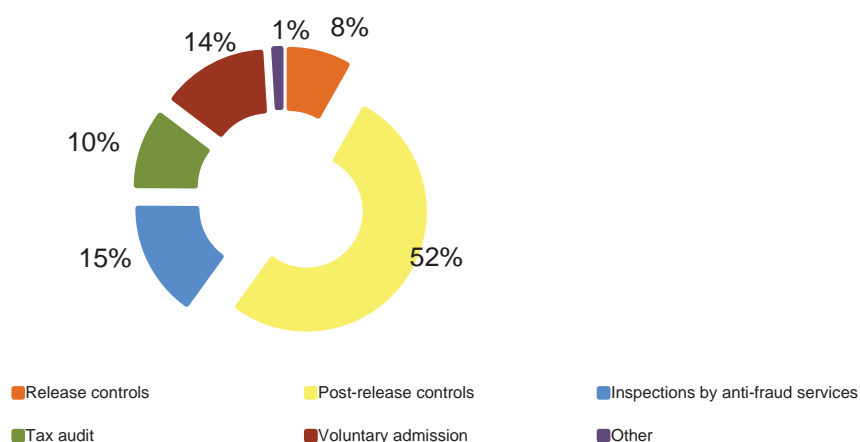
CHART TOR7: Method of detection 2017 – Cases not reported as fraudulent – by number of cases



Considering the estimated or established amounts, around 52 % of all irregularity cases registered for 2017 were discovered during a post-clearance control, 14 % were related to voluntary admission, 15 % to an inspection by anti-fraud services, whereas 10 % related to a tax audit and 8 % were found during a control at the time of clearance of goods.

<sup>19</sup> See Annex 7 and 8.

CHART TOR8: Method of detection 2017 – Cases not reported as fraudulent – by established amounts



In 13 Member States, more than 50 % of all non-fraudulent cases — in amounts — were detected by post-release controls<sup>20</sup>. In Greece, Spain, France, Portugal and Romania more than 50 % of the amounts relating to non-fraudulent cases were detected by anti-fraud services. Significant amounts were reported as non-fraudulent following voluntary admission by the United Kingdom (EUR 28 million) and Germany (EUR 22 million). In 14 Member States voluntary admission was keyed in as a method of detection of cases reported as non-fraudulent.

### 2.3.2.3. Solar panels vulnerable to irregularities – mutual assistance

In 2017, solar panels<sup>21</sup> originating in China were especially vulnerable to non-fraudulent irregularities in monetary terms. About 12 % (EUR 49 million) of the total amount that was established in non-fraudulent irregularities concerned this type of goods. Incorrect classification/misdescription and incorrect country of origin or dispatching country were the main pattern of the infringement reported. The United Kingdom, the Netherlands and Germany were particularly affected by this type of goods and infringement. Other 10 Member States reported also cases related to solar panels to a smaller extent<sup>22</sup>. Most of the cases reported were detected following Mutual Assistance notices issued by OLAF. This underlines the importance of investigations conducted by OLAF in this particular field.

### 2.3.2.4. Cases not reported as fraudulent by amount

In 2017, the established amount was below EUR 50 000 in 3 159 non-fraudulent cases (76 % of all irregularity cases), whereas it was above EUR 50 000 in 1 036 cases (24 %).

The total estimated and established amount in non-fraudulent cases where the amount at stake was above EUR 50 000 amounted to EUR 366 million (86 % of the total estimated and established amount for non-fraudulent cases).

<sup>20</sup> Czech Republic, Denmark, Germany, Estonia, Croatia, Cyprus, Lithuania, Hungary, the Netherlands, Austria, Poland, Sweden and the UK.

<sup>21</sup> CN codes 85 01 31 00, 85 01 64 00 and 85 41 40 90.

<sup>22</sup> France, Austria, Italy, Belgium, Sweden, Czech Republic, Denmark, Estonia, Greece and Spain.

Table TOR3: Cases not reported as fraudulent by amount category in 2017

Amount, EUR	N	Estimated and established amount, EUR
< 50 000	3,159	59,661,516
>= 50 000	1,036	365,595,455
<b>Total</b>	<b>4,195</b>	<b>425,256,971</b>

## 2.4. Member States' activities

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

For 2017, Member States reported 441 cases as fraudulent out a total of 4 636 cases reported via OWNRES, which indicates a Fraud Frequency Level (FFL) of 10 %. The differences between Member States are relatively large. In 2017, nine Member States categorised between 10-50 % of all cases reported as fraudulent. However, Czech Republic and Slovakia did not categorise any cases reported as fraudulent<sup>23</sup>. Seven Member States categorised less than 10 % of cases as fraudulent<sup>24</sup>. Nine Member States registered more than 50 %<sup>25</sup> of cases as fraudulent.

In 2017, the total estimated and established amount affected by fraud in the EU was EUR 76 million and the overall incidence of fraud<sup>26</sup> was 0.30 %. For 2017, the highest percentages can be seen in Greece (7.03 %), Malta (2.49 %) and Austria (2.05 %)<sup>27</sup>.

The total estimated and established amount affected by cases not reported as fraudulent was more than EUR 425 million which indicates an irregularity incidence<sup>28</sup> of 1.66 %. The highest percentages can be seen in Spain (4.11 %), Hungary (3.17 %) and Czech Republic (2.58 %)<sup>29</sup>.

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

<sup>23</sup> Luxembourg did not report any irregular case in 2017.

<sup>24</sup> Denmark (2%), Germany (3 %), Ireland (3%), the Netherlands (2 %), Portugal (6%), Sweden (2 %) and the UK (1 %).

<sup>25</sup> Bulgaria (95 %), Estonia (80%), Greece (76%), Croatia (53%), Cyprus (80%), Latvia (60%), Lithuania (67%), Malta (100%) and Poland (53 %).

<sup>26</sup> The percentage that the total established and estimated amounts related to fraudulent cases represent on the total TOR collected by Member States.

<sup>27</sup> See Annex 4.

<sup>28</sup> The percentage that the total established and estimated amounts related to non-fraudulent cases represent on the total TOR collected by Member States.

<sup>29</sup> See Annex 4.

## 2.4.2. Recovery rates

### 2.4.2.1. Cases reported as fraudulent

Over the 1989-2017 period, OWNRES shows that, on average, 22 % of the initially established amount was corrected (cancelled). The recovery rate (RR) for all years (1989-2017) is 37 %<sup>30</sup>. The RR for cases reported as fraudulent and detected in 2017 was 26 %<sup>31</sup> which is below the average rate of 36% for fraudulent cases for the 2013-2017 period<sup>32</sup>. In general, the RR in cases reported as fraudulent is clearly much lower than that for cases not reported as fraudulent.

### 2.4.2.2. Cases not reported as fraudulent

OWNRES shows that on the cut-off date, on average 37 % (1989-2017) of the initially established amount in relation to cases not reported as fraudulent has been corrected (cancelled) since 1989. The RR for non-fraudulent cases reported for 2017 is 50%<sup>33</sup>. On the cut-off date, the annual RR for the last five years has varied between 47% and 85%. The overall RR for all years (1989-2017) for all cases not reported as fraudulent is 71 %<sup>34</sup>.

### 2.4.2.3. Historical recovery rate (HRR)

The HRR confirms that in the long term recovery in cases reported as fraudulent is generally much less successful than in cases not reported as fraudulent (see table TOR4). Classification of a case as fraudulent is thus a strong indicator for forecasting short- and long-term recovery results.

Table TOR4: Historical recovery rate (HRR)

<b>Iregularities</b>	<b>HRR 1989 – 2017</b>
Reported as fraudulent	65.60%
Reported as non-fraudulent	92.59%
<b>Total</b>	<b>87.06%</b>

## 2.4.3. Commission's monitoring

### 2.4.3.1. Examination of the write-off reports

In 2017, 12 Member States submitted 50 new write-off reports to the Commission. In 2017, the Commission assessed 169 cases totalling EUR 74 million. In 34 of these cases amounting to EUR 11 million<sup>35</sup>, the Commission's view was that the Member States did not demonstrate satisfactorily that the TOR was lost for reasons not imputable to them so they were considered financially responsible for the loss.

<sup>30</sup> This calculation is based on 18 474 cases, an established amount of EUR 2.13 billion (after already processed corrections) and a recovered amount of EUR 0.78 billion.

<sup>31</sup> See Annex 9.

<sup>32</sup> On the cut-off date, for years 2013-2017, the annual RR for fraud cases varied between 26 % and 63 %.

<sup>33</sup> See Annex 9.

<sup>34</sup> This calculation is based on 82 606 cases, an established amount of EUR 5.3 billion (after already processed corrections) and a recovered amount of EUR 3.77 billion.

<sup>35</sup> See Annex 10



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

#### *2.4.3.2. Commission's inspections*

In its TOR inspections, the Commission has put a special emphasis on Member States' customs control strategies and closely monitors their actions and follow-up in relation to the observations made during the inspections. Member States generally show their willingness to adapt their control strategies and to progressively implement systems that provide for efficient and effective risk analysis to protect the EU's financial interests. However, budgetary constraints and the increase of tasks related to security have led to cuts in the number of customs officials in charge of duty collection control in many Member States. This may undermine the control efficiency and thus pose risks to the protection of the EU financial interest.

In 2017, the general subject of inspection was the keeping of the separate account and the corrections of the normal account, with a specific emphasis on the written-off amounts between EUR 50.000 and EUR 100.000. "Management of the normal and separate accounts in smaller offices"<sup>36</sup>, "Management of tariff suspensions and quotas"<sup>37</sup>, "External EU transit and the TIR procedures"<sup>38</sup> and "Control strategy of large business units"<sup>39</sup> were the main inspection themes of the on-the-spot customs inspections by the Commission services in Member States.

One general conclusion drawn by the Commission from its inspections in Member States in recent years is that their control strategies are increasingly shifting from customs controls at the time of clearance of goods to post-clearance customs controls. The customs controls before or at the time of clearance of goods remain however indispensable for addressing undervaluation and the detection of new types or patterns of fraud or irregularities. Therefore, the customs controls strategy should be frequently reviewed taking into account recent detections or new risks.

Considering the fraud diversion and spreading of specific fraud mechanism, EU-wide and international cooperation in detection of irregular cases is more and more required.

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

If TOR are not established because of an administrative error by a Member State, the Commission applies the principle of financial liability<sup>40</sup>. Member States have been held financially liable in 2017 for over EUR 29 million<sup>41</sup>, and new cases are being given appropriate follow-up.

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<sup>36</sup> Germany and France.

<sup>37</sup> Lithuania and Luxembourg.

<sup>38</sup> Belgium, Bulgaria, Czech Republic, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Latvia, Hungary, the Netherlands, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

<sup>39</sup> The United Kingdom.

<sup>40</sup> Case C-392/02 of 15/11/2005. These cases are typically identified on the basis of Articles 220(2)(b) (administrative errors which could not reasonably have been detected by the person liable for payment) and 221(3) (time-barring resulting from Customs' inactivity) of the Customs Code, Articles 869 and 889 of the Provisions for application of the Code, or on the basis of non-observance by the customs administration of Articles of the Customs Code giving rise to legitimate expectations on the part of an operator.

<sup>41</sup> It includes customs duties (EUR 9.8 million) and interest (EUR 19.1 million).

## PART II - EXPENDITURE

### Sustainable growth: natural resources

The emphasis of the EU policy in this field is on increasing farms' profitability, diversifying the rural economy and protecting the natural environment. There is a direct management component but the majority of expenditure is disbursed by Member States under shared management funds.

For the purpose of this analysis, the Common Agricultural Policy (CAP) is split in two main parts:

- Direct support to agriculture (SA), through direct payments to farmers and measures to respond to market disturbances, such as private or public storage and export refunds, which are financed by the European Agricultural Guarantee Fund;
- Rural development programmes of the Member States (RD), which are mainly financed through the European Agricultural Fund for Rural Development.

The European Maritime and Fisheries Fund (EMFF) provides funding and technical support for initiatives that can make the fishery industry more sustainable. The EMFF is the successor of the European Fisheries Fund (EFF), for which the full resources have been committed by the end of 2014. Table NR1 shows also the financial resources available for this policy area. However, in light of their belonging to the European Structural and Investment Funds (ESIF) family, EFF and EMFF will be treated together with the other structural funds. EAFRD and the EMFF are among the five ESIF which complement each other and seek to promote a growth and job based recovery in Europe.

Table NR1: Financial year 2017

Type of expenditure <sup>(1)</sup>	Management mode	Year 2017	
		Payments EUR million	% of total budget %
Support to agriculture (SA)	Shared	44,505	33.1
Rural development (RD)	Shared	11,095	8.2
EMFF + EFF	Shared	244	0.2
<b>TOTAL</b>		<b>55,844</b>	<b>41.5</b>

(1) 'Support to agriculture' includes budget chapters 05.02 and 05.03. 'Rural development' includes budget chapter 05.04

### 3. COMMON AGRICULTURAL POLICY (CAP)

#### 3.1. Introduction

For the last 50 years the Common Agricultural Policy (CAP) has been the European Union's (EU) most important common policy. This explains why traditionally it has taken a large part of the EU's budget, although the percentage has steadily declined over recent years.

The CAP is financed by two funds, EAGF and EAFRD, which form part of the EU's general budget.

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

The paying agencies are, however, not only responsible for making payments to the beneficiaries. Prior to doing so, they must, either themselves or through delegated bodies, satisfy themselves of the eligibility of the aid applications. The exact checks to be carried out are laid down in the different sectorial regulations of the CAP and vary from one sector to another.

The expenditure made by the paying agencies is then reimbursed by the European Commission to the Member States, in the case of the EAGF on a monthly basis and in the case of EAFRD on a quarterly basis. Those reimbursements are, however, subject to possible financial corrections which the European Commission may make under the clearance of accounts procedures.

Apart from a difference in scope and objectives, the two funds also function differently. While entitlements and measures supported under the EAGF follow a yearly flow, those under the EAFRD are implemented through multi-annual programmes, very much like the interventions financed through the other ESI funds.

Table NR2 shows the financial resources available for the CAP.

Type of expenditure <sup>(1)</sup>	Management mode	Year 2017	
		Payments EUR million	% of total budget %
SA: Intervention in agricultural markets	Shared	2,949	2.2
SA: Direct payments	Shared	41,556	30.9
RD: Rural development	Shared	11,095	8.2
<b>TOTAL</b>		<b>55,600</b>	<b>41.3</b>

(1) 'Intervention in agricultural markets' includes budget chapter 05.02. 'Direct payments' includes Budget chapter 05.03

### 3.2. General analysis

#### 3.2.1. Irregularities reported 2013-2017

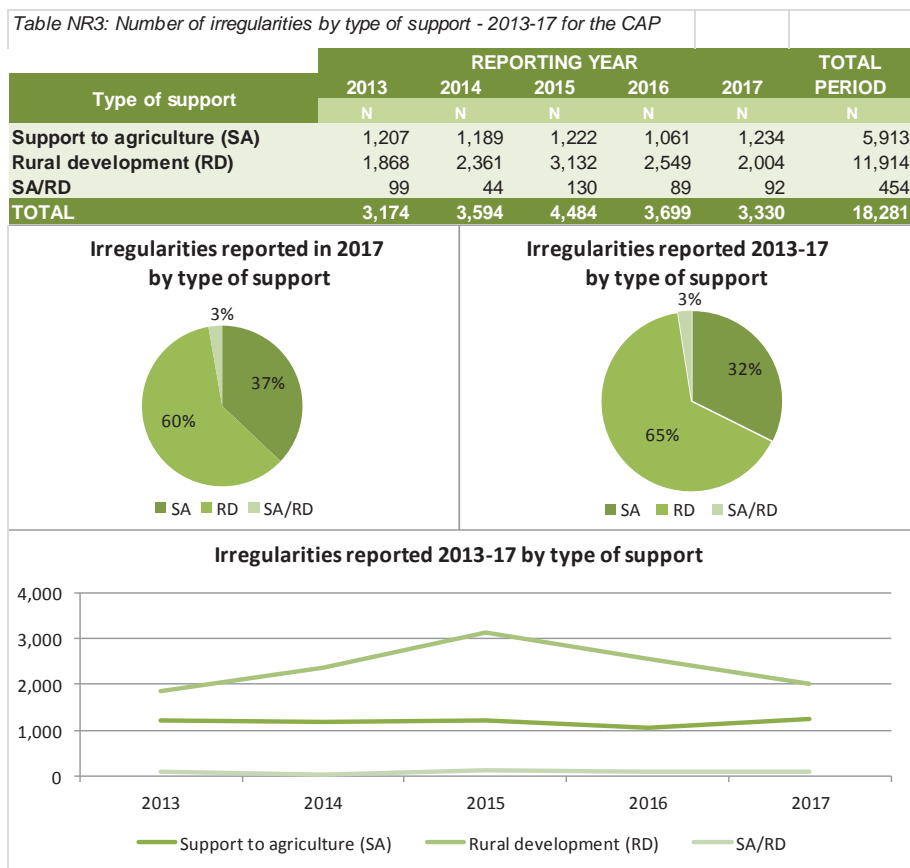
Table NR3 shows the number of irregularities (fraudulent and non-fraudulent) reported by the Member States for the period 2013-17 in relation to 'rural development' (RD) and direct 'support to agriculture' (SA). Cases are classified as:

- RD, where they concern only expenditure for rural development;
- SA, where they do not concern rural development expenditure. SA includes expenditure in relation to intervention in agricultural markets and direct payments to farmers;
- 'SA/RD', where they concern both types of expenditure (rural development and direct support to agriculture) or there is no enough information to assign the case to RD or SA.

Annex 11 provides a detailed explanation about the classification of cases. When inputting a case, the contributor is requested to specify the currency in which the amounts are expressed. Where the value of this field is 'EUR' or the field has been left blank, no transformation is applied. Where this field has been filled with another currency, the financial amounts involved in the irregularity are transformed on the basis of the exchange rates published by the ECB at the beginning of 2018.

The number of irregularities decreased by 10% in 2017 (in comparison with 2016) and this brought the overall increase during the period 2013-2017 down to 5%. However, while the irregularities affecting SA have been relatively stable over time, those related to RD have noticeably increased until 2015 and then declined at a similar pace during 2016-2017, as showed by the chart associated to Table NR3 (in 2017, -21.4% in comparison with 2016 and -36.2% in comparison with 2015).

This difference in stability is reflected in the average year-on-year (yoy) absolute variation, which for SA was just 8%, while for RD it reached 25%.



It should be considered that the two types of support are provided following two different modes. SA follows an annual implementation, while RD finances programmes in a multiannual context, which resembles that of the ESI Funds. In fact, the trends of irregularities detected and reported in relation to RD and ESI Funds are similar and are influenced by the implementation modes.

The irregularities notified by a minority of Member States (Italy, Romania, Portugal, Spain, Hungary, Poland and France) nearly represented 75% of the total number of reported irregularities in 2017.

Table NR4 provides information about the financial amounts involved in the cases considered in Table NR3. In 2017, the financial amounts<sup>42</sup> have increased by 10% in comparison with 2016. After a decreasing trend during 2013-2016, in 2017 the SA financial amounts bounced back, pushed by strong increases both in numbers and average financial amount (see also below for an explanation). On the contrary, in 2017 the RD financial amounts continued on the decreasing path that had started after the 2015 peak, due to declining numbers and a stable average financial amount. As a result, in 2017 the financial amounts involved in irregularities are nearly equally shared between RD and SA. However, one has to bear in mind that, in 2017, RD represented about 20% of the total resources devoted to the CAP, while the financial value of the irregularities reported in relation to RD accounted for 50% of the total amount of all irregularities related to CAP expenditure in 2017.

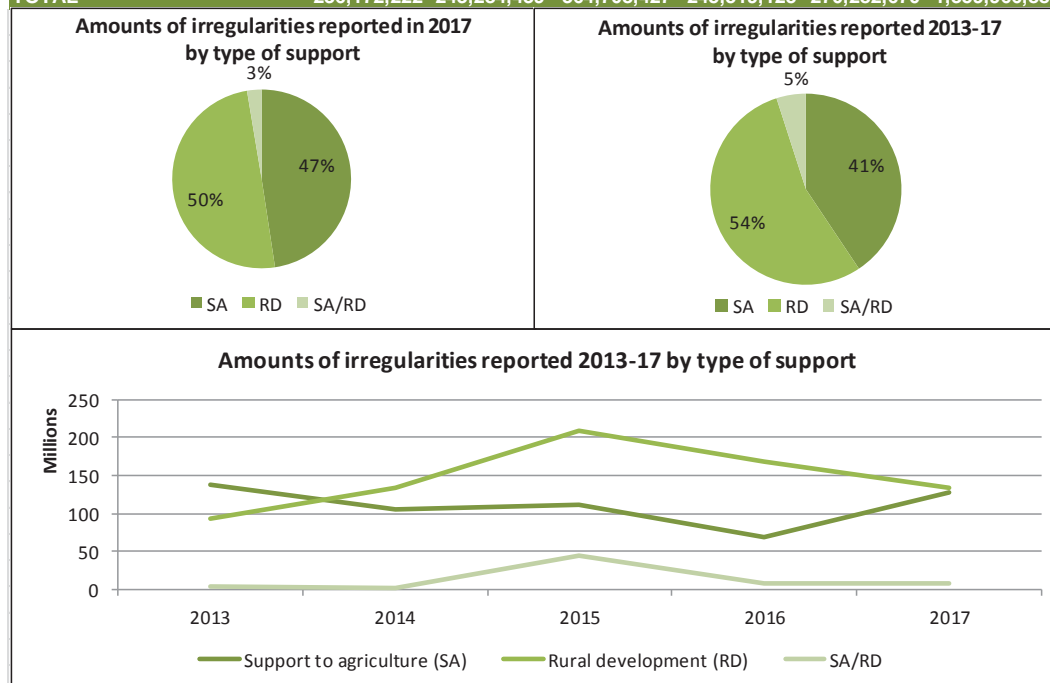
<sup>42</sup> In this report, whenever financial amounts are mentioned with reference to reported cases, they refer to the financial amount of the irregularity and not of the overall related expenditure.

In fact, the weight of the financial amounts involved in irregularities on payments<sup>43</sup> is very different between the two types of support, as it is 0.1% for SA and 1.3% for RD (0.5% on the overall 2017 CAP expenditure).

Considering the overall period 2013-2017, the average financial amount involved in SA cases is higher than in RD cases (+50%). This is mainly due to irregularities concerning market measures, where cases with exceptional financial amounts happened to be reported.<sup>44</sup> In fact, in 2016 such exceptional cases did not emerge and the average financial amounts of RD and SA cases were broadly aligned. In general, when SA is considered net of cases concerning market measures, the average financial amount is lower than for RD cases. Also in 2016 the average financial amount of cases concerning market measures was 41% higher than that for RD cases.

Table NR4: Financial amounts involved in reported irregularities by type of support - 2013-17 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	EUR	EUR	EUR	EUR	EUR	EUR
Support to agriculture (SA)	137,762,397	105,803,196	111,662,850	68,722,225	128,653,696	552,604,364
Rural development (RD)	93,374,216	134,635,963	208,735,956	168,433,561	134,525,870	739,705,566
SA/RD	5,035,610	2,845,280	44,309,621	8,363,340	7,103,104	67,656,955
<b>TOTAL</b>	<b>236,172,222</b>	<b>243,284,439</b>	<b>364,708,427</b>	<b>245,519,125</b>	<b>270,282,670</b>	<b>1,359,966,885</b>



The trend of the financial amounts must be assessed while bearing in mind that it can be strongly influenced by single observations of significant value. The continuous growth of the financial value of irregularities related to RD until 2015 is, however, in line with the general trend of irregularities showed in Table NR3.

During 2013-2017, cases which involved financial amounts over 1 million represented less than 1% in terms of numbers, but 33% in terms of amounts.<sup>45</sup> 60% of these 'over 1 mln' cases concerned RD, while 29% concerned market measures. In such a context, where such a

<sup>43</sup> For example, for RD this is calculated as (financial amounts of irregularities in RD)/(payments related to all RD projects during the same period of reference).

<sup>44</sup> In this context, a financial amount is considered 'exceptional' where it exceeds EUR 10 million.

<sup>45</sup> Furthermore, it can be noticed that there were just 24 cases over 3 million accounting for 21% of the financial amounts.

significant portion of the financial amounts is linked to a relatively low number of cases, fluctuations are more likely and should not be misinterpreted.

This contributes to explain the steep increase in 2017 of the financial amounts related to SA irregularities. During 2013-2015 and 2017, each year there were one or two cases concerning market measures which involved exceptional financial amounts (globally adding on average more than EUR 40 mln per year).<sup>46</sup> From this point of view, 2016 was an unusual year, because there were no such exceptional cases. The return to the previous pattern in 2017 contributed to the noticeable upward jump in the financial amounts involved in irregularities concerning SA, which includes market measures.

Section 3.3.4 will deal later with the reasons why controls that led to discover irregularities were performed. That analysis will bring to a number of findings about the frequency and potential of different detection methods. Here a different perspective is taken. When focusing on the '*over 1 mln*' cases, it can be noticed that some of these reasons for performing the control were more present than in the overall set of cases. Reference is made to 'Information published by the media', 'Tip from informant, whistle-blower, etc.' and 'Irregularity detected by EU body'.<sup>47</sup> Even if this is based on a relatively low number of cases, it may be seen as corroborating the hypothesis that these targeted controls have the potential to lead to better results.

### 3.2.2. *Irregularities reported as fraudulent*

For the period 2013-17, Table NR5 provides an overview of the number of irregularities reported as fraudulent by Member States in relation to the type of support concerned. This shows a significant decrease in comparison to 2016 (-31.5%), which is due to a drop in the number of relevant RD irregularities (-51.1%) that could not be compensated by the increase recorded for the SA type of support.

After three consecutive years during which the number of irregularities reported as fraudulent in relation to RD had largely exceeded the number of those reported for SA, in 2017 the SA share matched the RD one. As a result, over the period 2013-2017, the number of RD irregularities reported as fraudulent is still higher than the number of SA ones, but the share of the total was just 56%.

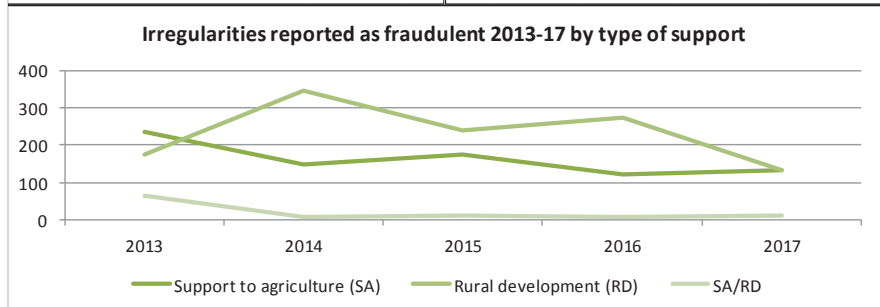
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<sup>46</sup> In this context, a financial amount is considered 'exceptional' where it exceeds EUR 10 million.

<sup>47</sup> (1) 'Irregularity detected by EU body' is reported in 4.1% of the '*over 1 mln*' cases (in RD), against 1.3% of all RD cases; (2) 'Information published by the media': 1.4% in the '*over 1 mln*' subset (in RD), against 0.4% in the all RD set; (3) 'Tip from informant, whistle-blower, etc.': 3.3% in the '*over 1 mln*' subset, against 1.6% in the all set (difference is even bigger when focusing on market measures: 5.7% against 0.7%). Only cases where the amount of the reported irregularity is greater than zero have been considered.

Table NR5: Number of irregularities reported as fraudulent by type of support - 2013-17 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	N
Support to agriculture (SA)	236	148	175	122	133	814
Rural development (RD)	174	345	240	272	133	1,164
SA/RD	65	9	10	9	10	103
<b>TOTAL</b>	<b>475</b>	<b>502</b>	<b>425</b>	<b>403</b>	<b>276</b>	<b>2,081</b>



In 2017, the irregularities notified by the first three Member States (Poland, Romania and Italy) represented about 65% of the total number of irregularities reported as fraudulent. This concentration was higher than in 2016 (about 63%) and in 2013 (about 58%).

The first ten countries taken together reported 246 cases as fraudulent, which represented about 89% of the total (in 2016 the first ten countries accounted for about 92% and in 2013 about 93% of the total irregularities reported as fraudulent).

Estonia, Germany, Ireland, Italy, Luxembourg, the Netherlands, Slovakia and Slovenia accounted for an increasing number of cases reported as fraudulent.

Table NR6 provides information about the financial amounts involved in the cases considered in Table NR5. In 2017, the overall financial amounts were stable, but this was the result of different patterns in RD and SA. After the peak recorded in 2016 for financial amounts related to RD, the largest share in 2017 was represented again by the SA, which was pushed by increases both in the number of SA cases (+9%) and their average financial amount (+227%).<sup>48</sup> Financial amounts involved in SA cases were predominant also if one takes into account the whole 2013-17 period (58% of the total amount). However, the share of the RD on the total (40%) was well above the share of the resources allocated to RD on the total of the CAP resources over the same period.

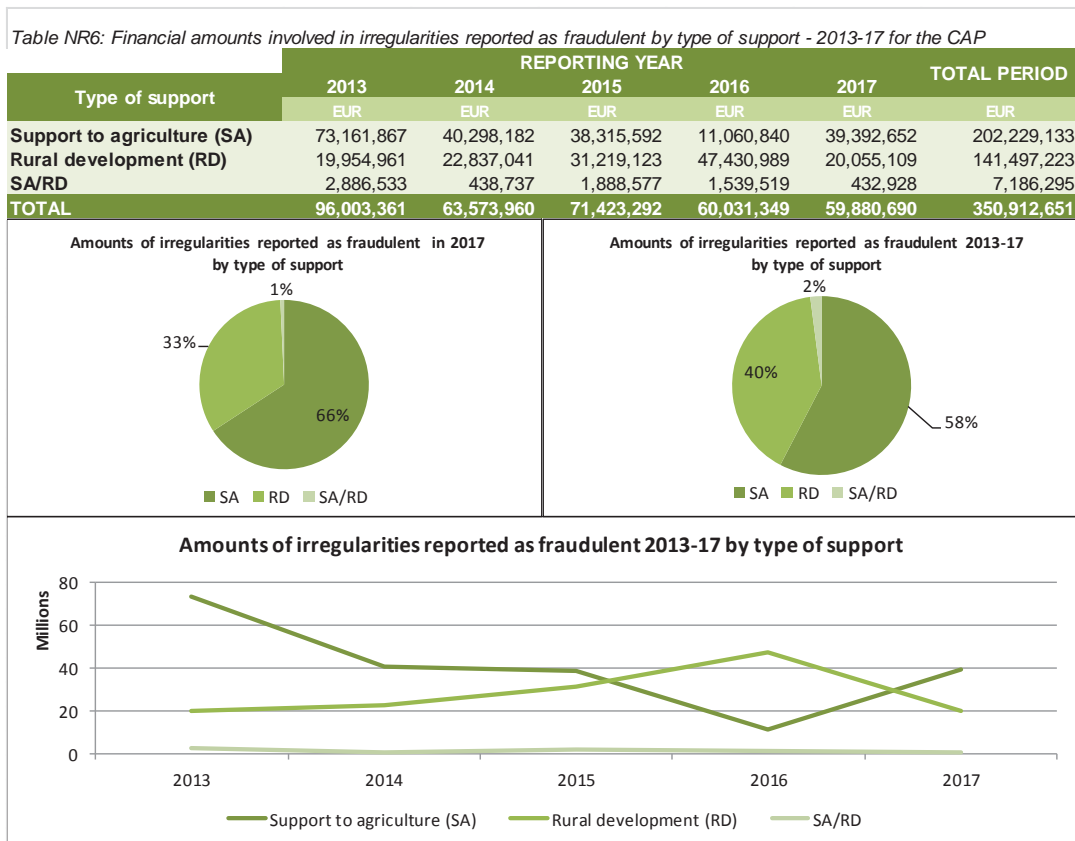
Considering the overall period 2013-2017, the average financial amount involved in SA cases was higher than that for RD cases (+104%). This is mainly due to irregularities concerning market measures, where potential frauds with exceptional financial amounts happened to be reported.<sup>49</sup> In fact, in 2016 such exceptional cases did not emerge and the average financial

<sup>48</sup> See above, for an explanation of the role of exceptional cases in the 2017 steep increase in financial amounts involved in SA cases. RD cases instead decreased both in terms of numbers (-51%) and average financial amount (-14%).

<sup>49</sup> In this context, a financial amount is considered 'exceptional' where it exceeds EUR 10 million.

amount of SA fell below that of RD cases. Also net of these exceptional cases, the average financial amount of potential frauds in market measures is still higher than that of RD cases over the period 2013-2017 (+135%). On the contrary, when SA is considered net of cases concerning market measures, the average financial amount is far lower than for RD cases over the period 2013-2017 and is decreasing in 2017.

During 2013-2017, 103 cases concerned both RD and SA. In most of these cases, violations concerning RD were combined with violations concerning direct payments.



The trend of the financial amounts must be assessed while bearing in mind that it can be strongly influenced by single observations of significant value. For instance, the 'distance' observed in 2013 between the two types of support, finds explanation in very few cases involving high amounts linked to the SA.

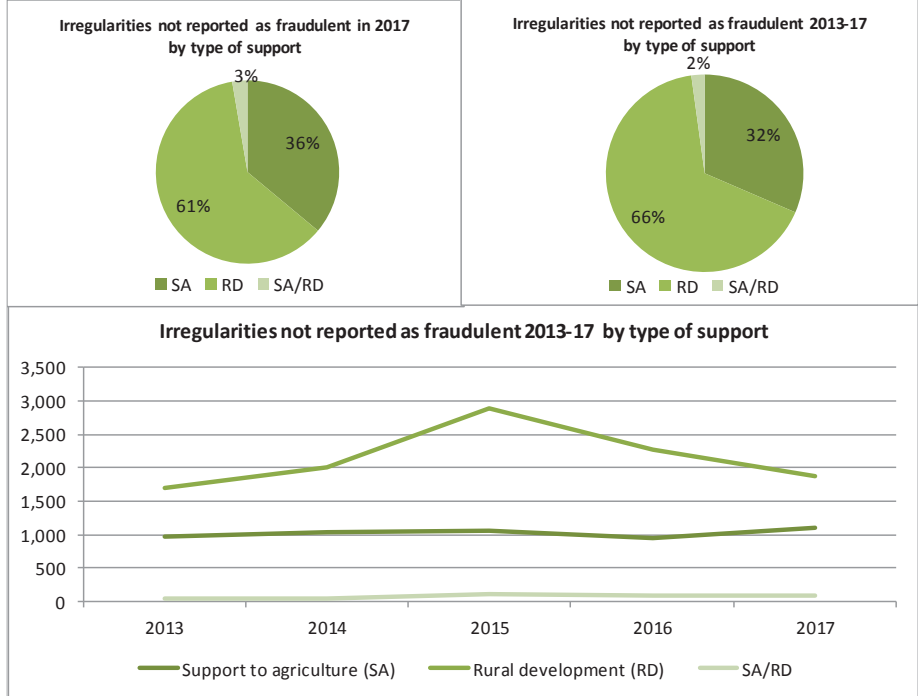
### 3.2.3. Irregularities not reported as fraudulent

Regarding irregularities not reported as fraudulent, the number of those reported in relation to RD has been constantly increasing until 2015, while that related to SA remained stable or recorded minor variations (see Table NR7). Consistently, also the irregular financial amounts linked to RD have been constantly increasing until 2015 (as highlighted in Table NR8). In 2017, the irregular financial amounts linked to SA recorded an unusual increase (+55%), beyond what could be expected due to the related increase in the number of such irregularities (+17%).



Table NR7: Number of irregularities not reported as fraudulent by type of support - 2013-17 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	N
Support to agriculture (SA)	971	1,041	1,047	939	1,101	5,099
Rural development (RD)	1,694	2,016	2,892	2,277	1,871	10,750
SA/RD	34	35	120	80	82	351
<b>TOTAL</b>	<b>2,699</b>	<b>3,092</b>	<b>4,059</b>	<b>3,296</b>	<b>3,054</b>	<b>16,200</b>



In terms of number of irregularities (Table NR7), RD has regularly and significantly exceeded SA across the whole 2013-2017 period, with the result that the number of irregularities linked to RD have been more than double those affecting SA.

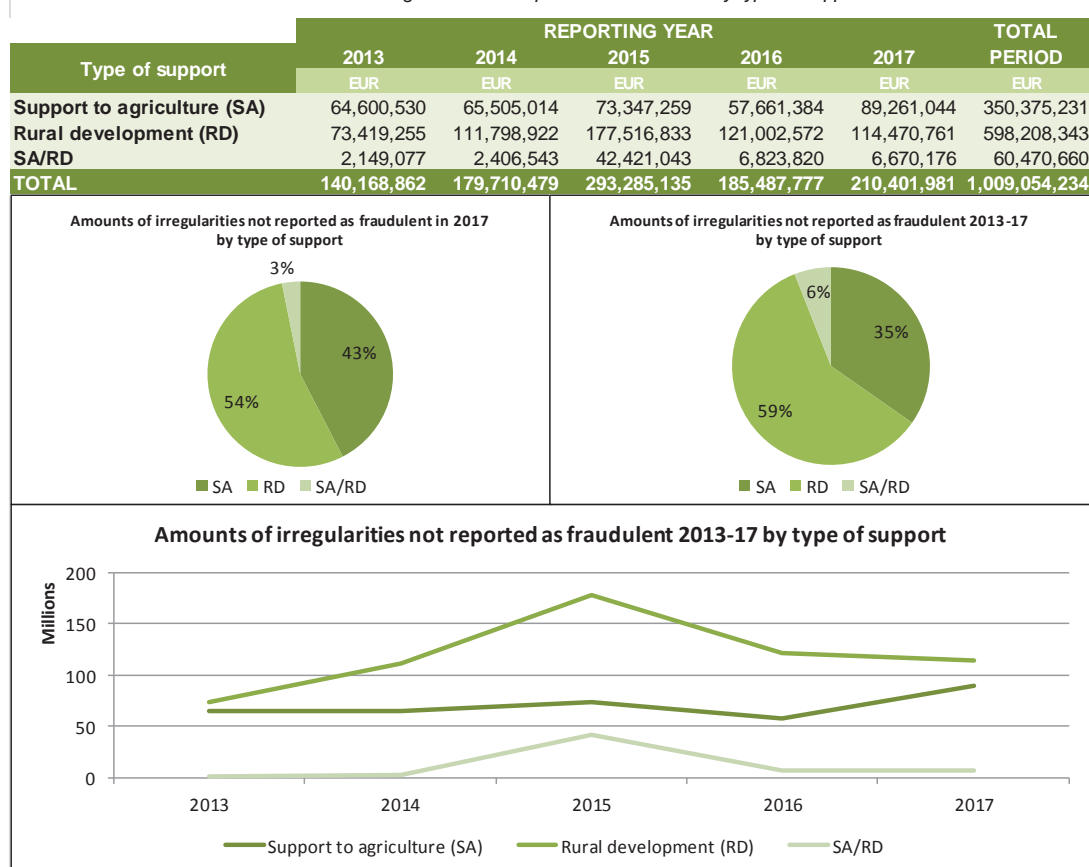
In terms of financial amounts (Table NR8), after the peak in 2015, irregularities related to RD gradually decreased, while irregularities related to SA recorded in 2017 a steep raise, after a flat trend.<sup>50</sup> As a result, the gap between RD and SA financial amounts experienced a peak in 2015 and nearly closed in 2017.

In 2017, the average financial amounts increased for both RD cases (+15%) and SA cases (+32%). This supported the increase of financial amounts despite the decrease in the number of cases. Considering the overall period 2013-2017, the average financial amount involved in SA cases is higher than in RD cases (+23.5%). This is mainly due to irregularities concerning market measures, where cases with exceptional financial amounts happened to be reported.<sup>51</sup> However, also net of these exceptional cases, the average financial amount of non fraudulent irregularities in market measures is still higher than that of RD cases over the period 2013-2017 (+75%) and is increasing in 2017. On the contrary, when SA is considered net of cases concerning market measures, the average financial amount is lower than for RD cases over the period 2013-2017 and is decreasing in 2017.

<sup>50</sup> See above, for an explanation of the role of exceptional cases in the 2017 steep increase in financial amounts involved in SA cases.

<sup>51</sup> In this context, a financial amount is considered 'exceptional' where it exceeds EUR 10 million.

Table NR8: Financial amounts involved in irregularities not reported as fraudulent by type of support - 2013-17 for the CAP



### 3.3. Specific analysis

#### 3.3.1. Modus operandi

##### 3.3.1.1. Support to agriculture (SA)

Table NR9 provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases reported as fraudulent in relation to SA in 2017 and the financial amounts involved. It also presents how these most recurrent categories (or combinations of categories) featured from 2013 to 2017 (included).<sup>52</sup>

The most recurrent *modi operandi* are related to 'documentary proof' or to the 'request' (not combined with other categories of irregularity). Each category is articulated in different types of violations (see Annex 12). With reference to these two categories, the most recurrent types concerned 'false or falsified documents' or 'false or falsified request for aid', both in 2017 and in the overall period 2013-2017.

Irregularities concerning 'Product, species and/or land' (not combined with other categories of irregularity) were also quite recurrent. More specifically, most of these infringements concerned the types 'overdeclaration and/or declaration of fictitious product, species and/or land' (both in 2017 and in the overall period 2013-2017) and 'quantities outside permitted limits, quotas, thresholds' (considering the overall period 2013-2017).

In 2017, 10 irregularities were reported as pertaining to the category 'Ethics and integrity' (not combined with other categories of irregularity). In the previous years, other 41 cases of

<sup>52</sup> For the full description of the categories of irregularities and the related types of violations, please see Annex 12.

the sort had been reported. All of these violations were communicated by Poland and were not reported under the types '*conflict of interest*', '*bribery*' or '*corruption*', but as '*other irregularities concernig ethics and integrity*'. Most of these violations concerned the creation of artificial conditions for receiving financial support. Other Member States may have reported this type of infringement under other categories of irregularity.

Table NR9: Categories of irregularities reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	irregularities reported as fraudulent in 2017		Irregularities reported as fraudulent 2013-17	
		N	EUR	N	EUR
T14	Documentary proof	38	1,417,074	254	17,035,790
T11	Request	31	1,121,879	160	18,371,550
T15	Product, species and/or land	20	1,843,946	142	12,854,062
T16	(Non-)action	12	2,554,791	30	32,441,152
T19	Ethics and integrity	10	28,183,868	51	31,152,655
T13	Accounts and records	8	221,734	13	1,757,079
T11   T16	Request/(non-)action	2	287,288	8	953,018
T12	Beneficiary	2	165,873	15	48,410,719
T11   T13   T14	Request / Accounts and records / Documentary proof	2	249,795	2	249,795
T14   T15	Documentary proof / Product, species and/or land	2	26,502	5	149,316
	ALL OTHER	6	3,319,902	134	38,853,997
<b>TOTAL</b>		<b>133</b>	<b>39,392,652</b>	<b>814</b>	<b>202,229,133</b>

Table NR10 provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases not reported as fraudulent in relation to SA in 2017 and the financial amounts involved. It also presents how these most recurrent categories (or combinations of categories) featured from 2013 to 2017 (included).

When looking at these irregularities, violations concerning the '*request*' are the most recurrent category (by far, in 2017). More specifically, while during the period 2013-2017 most of these infringements were almost equally split between the types '*incorrect or incomplete request for aid*' and '*false or falsified request for aid*', in 2017 the latter type of violation was clearly predominant. Violations concerning the other category '*documentary proof*' were also quite frequent and often related to the type of violation '*false or falsified documents*' (202 cases in 2013-2017).<sup>53</sup>

Another prevalent category of irregularity not reported as fraudulent is related to '*(non)action*'. In this area, the three most reported types pertained to the action itself ('*not implemented or completed*'), and '*refusal to repay not spent or unduly paid amounts*'.

In relative terms, infringements related to '*Ethics and integrity*' were less frequent than for the irregularities reported as fraudulent. Apart from one case of conflict of interest, all of these violations were reported as '*other irregularities concernig ethics and integrity*'.

<sup>53</sup> Italy reported most of these non fraudulent cases where the type of violation refers to 'false or falsified request for aid' or 'false or falsified documents'.

Table NR10: Categories of irregularities not reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	irregularities not reported as fraudulent in 2017		Irregularities not reported as fraudulent 2013-17	
		N	EUR	N	EUR
T11	Request	451	22,744,425	1,216	71,670,266
T16	(Non-)action	187	42,810,403	786	84,556,847
T15	Product, species and/or land	161	5,234,359	1,112	39,924,249
T12	Beneficiary	78	4,255,410	271	11,387,616
T14	Documentary proof	76	5,702,877	685	50,518,369
T12   T16	Beneficiary / (Non-)action	31	2,783,694	54	3,794,698
T90	Other	21	1,213,493	228	12,472,826
T19	Ethics and integrity	17	771,858	90	2,700,038
T13	Accounts and records	13	1,077,420	74	3,088,714
T11   T14   T15	Request/documentary proof / Product, species and/or land	11	498,838	20	1,460,431
	ALL OTHER	55	2,168,269	563	68,801,176
<b>TOTAL</b>		<b>1,101</b>	<b>89,261,044</b>	<b>5,099</b>	<b>350,375,231</b>

### 3.3.1.2. Rural development (RD)

Table NR11 provides an overview of the most frequent categories of irregularities reported as fraudulent in RD in 2017 and the related financial amounts. It also presents how these most recurrent categories have featured from 2013 to 2017 (included).

In 2017 and in 2013-2017, the category '*documentary proof*' ranked first, with '*false or falsified documents*' as the most reported type of violation. Also with reference to the '*request*', which is another frequent category, the false-related type of irregularity ('*false or falsified request of aid*') is the most reported.

Within the CAP, '*RD cases reported as fraudulent*' is the domain where the category '*Ethics and integrity*' ranks higher, with 22 irregularities in 2017 and 137 in 2013-2017. Similarly to SA cases, most of these violations were communicated by Poland and were not reported under the types '*conflict of interest*', '*bribery*' or '*corruption*', but as '*other irregularities concerning ethics and integrity*'. Most of these violations concerned the creation of artificial conditions for receiving financial support. Other Member States may have reported this type of infringement under other categories of irregularity.

Table NR11: Categories of irregularities reported as fraudulent in relation to rural development

Code	Category of irregularity	irregularities reported as fraudulent in 2017		Irregularities reported as fraudulent 2013-17	
		N	EUR	N	EUR
T14	Documentary proof	39	5,688,554	235	28,981,319
T19	Ethics and integrity	22	2,195,446	137	11,112,065
T16	(Non-)action	16	3,789,589	151	23,858,904
T11	Request	6	793,328	99	13,477,988
T12	Beneficiary	6	594,928	94	9,296,214
T14   T16	Documentary proof / (Non-)action	6	553,265	17	2,320,202
T15	Product, species and/or land	6	162,077	48	1,244,401
T90	Other	8	4,630,356	44	21,917,068
T11   T14   T16	Request / Documentary proof/(non-)action	5	486,330	9	984,606
T12   T14   T16	Beneficiary / Documentary proof/(non-)action	3	110,922	157	8,545,740
	ALL OTHER	16	1,050,313	173	19,758,716
<b>TOTAL</b>		<b>133</b>	<b>20,055,109</b>	<b>1,164</b>	<b>141,497,223</b>

Table NR12 provides an overview of the most frequent categories of irregularities not reported as fraudulent in RD in 2017 and the related financial amounts. It also presents how these most recurrent categories have featured from 2013 to 2017 (included).

When looking at these irregularities, the most frequently detected category is related to '*non-action*' (including '*action not completed*', '*action not implemented*' or '*failure to respect deadlines*') among the most reported types of violation). This category ranked very high also in relation to irregularities reported as fraudulent (see Table NR11).

'(Non-)action' was followed by 'documentary proof' representing 11% of the non-fraudulent cases in 2017 (including 'Documents missing and/or not provided' as the most reported type of violation). During 2013-2017, a number of 'documentary proof' cases (45) concerned the 'false and/or falsified documents' type of violation. The same applies to the category 'request', where a number of cases (17) were related to the 'false or falsified request of aid' type of violation.<sup>54</sup>

In relative terms, the category *Beneficiary* is more frequent among RD cases not reported as fraudulent than in other CAP areas (about 10% of cases in 2017). Within this category, 'Operator/beneficiary not having the required quality' is the most reported type of violation.

Table NR12: Categories of irregularities not reported as fraudulent in relation to rural development

Code	Category of irregularity	Irregularities not reported as fraudulent in 2017		Irregularities not reported as fraudulent 2013-17	
		N	EUR	N	EUR
T16	(Non-)action	814	44,126,431	3,654	189,587,234
T14	Documentary proof	210	12,685,493	1,332	64,428,728
T12	Beneficiary	194	17,857,218	969	59,750,002
T15	Product, species and/or land	150	4,131,291	1,051	31,774,588
T12   T16	Beneficiary/(non-)action	117	3,402,703	404	17,474,937
T11	Request	114	12,106,282	1,009	63,214,264
T90	Other	68	3,397,057	623	38,252,310
T13	Accounts and records	32	1,128,975	143	4,850,600
T18	Bankruptcy	29	4,808,319	73	10,347,887
T40	Public procurement (see annex Commission Decision C(2013)9527)	27	1,873,828	72	7,633,427
	OTHER	116	8,953,163	1,420	110,894,367
<b>TOTAL</b>		<b>1,871</b>	<b>114,470,761</b>	<b>10,750</b>	<b>598,208,343</b>

### 3.3.2. Fraud and Irregularity Detection Rates by CAP components

Via its two funds (EAGF and EAFRD) the CAP supports agriculture and rural development across Europe. The

EAGF itself has two components with different aims: measures regulating or supporting agricultural markets (insoforth, referred to as 'intervention in agricultural markets' or 'market measures') and direct payments to farmers. Annex 11 provides a detailed explanation about the classification in these two categories of the cases reported by the Member States.

Table NR13 shows the Fraud Detection Rate (FDR) and the Irregularity Detection Rate (IDR) per type of policy measure.

Table NR13: FDR and IDR by type of CAP expenditure

Type of expenditure (1)	Irregularities detected and reported 2013-2017 / Payments 2013-2017		
	FDR	IDR	Total
Direct payments	0.02%	0.07%	0.1%
Intervention in agricultural markets	1.17%	1.39%	2.6%
Rural development	0.25%	1.05%	1.3%
<b>Total</b>	<b>0.13%</b>	<b>0.36%</b>	<b>0.5%</b>

(1) See Annex 13, for an analysis of the impact of 'mixed' case

The same case may cover several budget posts referring to different types of expenditure. In Annex 13, a detailed explanation of this issue and how it has been handled in estimating these FDR/IDR can be found.

<sup>54</sup> Italy reported many of these non fraudulent cases where the type of violation refers to 'false or falsified request for aid' or 'false or falsified documents'.

As mentioned in section 3.2.2, the financial amounts involved in irregularities reported as fraudulent concerning market measures are heavily influenced by few (4) exceptional cases.<sup>55</sup> Net of these cases, the FDR for market measures would be 0.31% rather than 1.17%. Similarly, excluding the few (3) 'exceptional' non fraudulent irregularities, the IDR would be 1.08% rather than 1.39%.

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

As showed in Table NR13, market measures feature high FDR and IDR. Table NR14 shows the frequency and financial amounts of irregularities reported as fraudulent in relation to market measures for the period 2013-2017, while Table NR15 shows the same data with reference to irregularities not reported as fraudulent.

Table NR14: Number of irregularities reported as fraudulent in relation to market measures

Market measure	Irregularities reported as fraudulent 2013-17	
	N	EUR
Products of the wine-growing sector	66	9,005,768
Fruit and vegetables	54	93,572,518
Sugar Restructuring Fund	19	6,211,261
Milk & milk products	9	332,272
Promotion	4	202,832
Other plant products/measures	2	8,377,798
Food programmes	1	268,090
Pigmeat, eggs and poultry, bee-keeping and other animal products	1	21,189,379
blank	6	30,826,677
<b>TOTAL</b>	<b>162</b>	<b>169,986,594</b>

Table NR15: Number of irregularities not reported as fraudulent in relation to market measures

Market measure	Irregularities not reported as fraudulent 2013-17	
	N	EUR
Products of the wine-growing sector	858	52,812,109
Fruit and vegetables	434	52,056,340
Other plant products/measures	78	7,892,216
Sugar Restructuring Fund	71	10,809,629
Pigmeat, eggs and poultry, bee-keeping and other animal products	23	28,218,463
Promotion	22	2,035,797
Milk & milk products	21	759,089
Sugar	16	8,818,761
Olive oil	14	374,505
Beef and veal	13	301,080
Food programmes	9	2,792,394
Refunds on non-Annex 1 products	2	89,389
Sheepmeat and goatmeat	2	30,623
Textile plants	2	30,952
blank	46	34,152,549
<b>TOTAL</b>	<b>1,611</b>	<b>201,173,895</b>

The category '*products of the wine-growing sector*' is the most recurrent, but '*fruit and vegetables*' is the one with the highest financial amounts, in particular due to the exceptional average amount of cases reported as fraudulent. Another category with an exceptional

<sup>55</sup> In this context, a financial amount is considered 'exceptional' where it exceeds EUR 10 million.

average financial amount is '*Pigmeat, eggs and poultry, bee-keeping and other animal products*'.

### 3.3.4. Reasons for performing control

#### 3.3.4.1 Irregularities in relation to rural development

In the context of the antifraud cycle, the detection capability is a key feature, which contributes to the effectiveness and efficiency of the system for the protection of the EU budget.

Table NR16 provides an overview of the reasons why controls were performed with reference to rural development during 2013-2017, with a focus on controls that led to discover irregularities reported as fraudulent.<sup>56</sup> The description of the 'reason for performing control' has been shortened to simplify the Table and associated Graphs, but the full description can be consulted in Annex 14.

The straight lines in the graphs associated to Table NR16 represent the border between 'reasons' that led to identify irregularities with an average amount above or below the global average (that takes into account all potential frauds affecting RD). The vertical distance between a point representing a specific reason and the straight line is an indicator of how higher or lower was the yield of these controls started for that specific reason, in comparison with the hypothetical situation where these controls involved financial amounts in line with the global average<sup>57</sup>.

Map NR1 provides an overview by Member State of the number of irregularities reported as fraudulent with reference to rural development during 2013-2017. The most active Member States in detecting and reporting potentially fraudulent irregularities in RD were Poland, Romania and Hungary, which represented more than 60% of these irregularities.

The most frequent reasons for starting a control were '*Routine*', '*Administrative enquire*' and '*Judicial enquiry*'. The average financial amounts involved in these three reasons are broadly in line with the global average, with a better performance of '*Routine*' and '*Judicial enquiry*'.

'*Judicial enquiry*' was mentioned as reason mostly in Romania (86% of cases), while '*Administrative enquire*' was relatively more widespread, with Hungary as the main Member State (56% of cases). The majority of cases where the control was started because of '*Routine*' were reported by Poland (55% of cases).

Poland was also the Member State with the highest number of irregularities detected because of a '*Tip*' (followed by the Czech Republic and Slovakia). This reason for starting a control showed above-the-average financial amount involved.

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<sup>56</sup> For the analysis of the reasons for performing controls, only cases where the amount of the reported irregularity is greater than zero have been considered. Within the same case, reference can be made to more than one reason for performing the control. This case has been counted in each 'reason' mentioned in the notification by the Member State. As a consequence, the sum of irregularities in Table NR16 (and similar Tables in this section) is higher than the actual number of relevant cases. This is why the row of totals is not included in the Table. Whenever reference is made to a 'global average', this must be understood as the average financial amount of the relevant cases (potential frauds affecting RD, for comments related to Table NR16, or non fraudulent irregularities affecting RD, for comments related to Table NR17). It is calculated on the basis of data in Table NR16 (or NR17) so it implies some double counting.

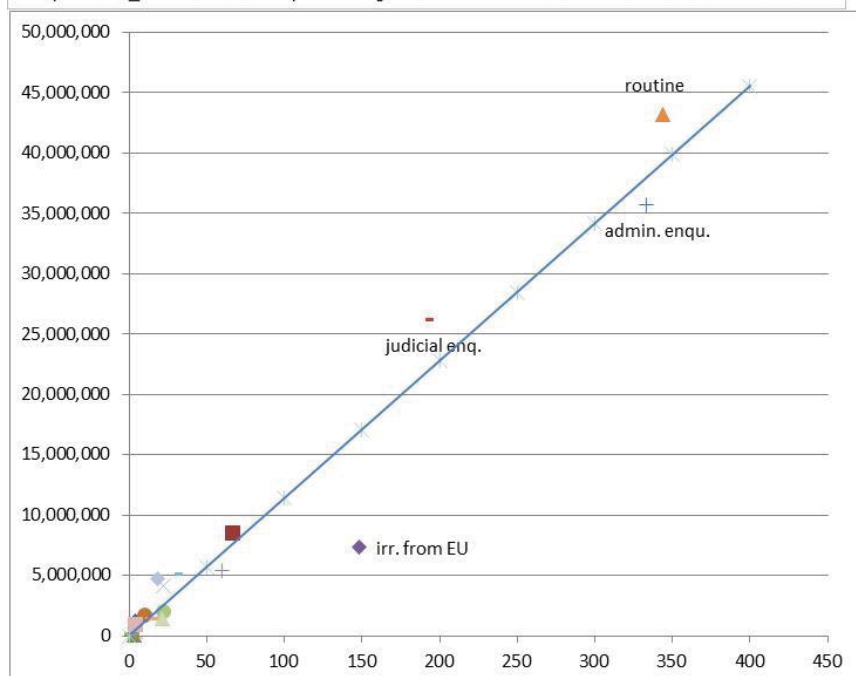
<sup>57</sup> This comparison takes into consideration both the number of positive controls started for a specific reason and the difference between average financial amount associated to that specific reason and the global average.

'Risk analysis' was reported only a few times as reason for starting a control, while it showed a good average financial amount. These cases were basically reported only by Lithuania and Bulgaria.

Table NR16: Reasons for performing controls leading to irregularities reported as fraudulent in rural development

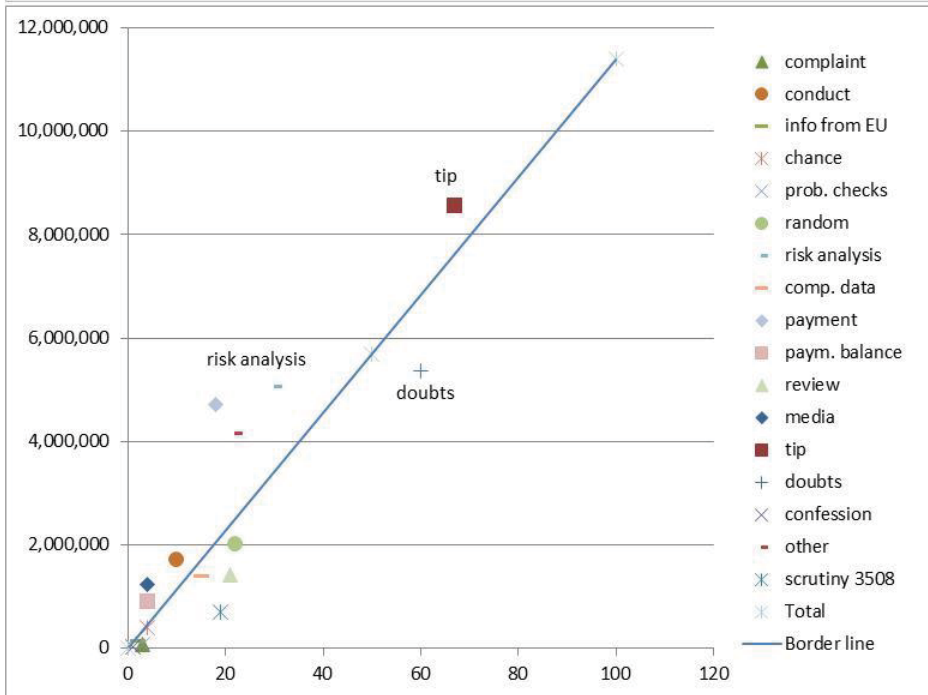
Reason for performing control	Irregularities reported as fraudulent - Rural development - 2013-2017		
	Reported N	Involved amounts EUR	Average amounts EUR
media	4	1,245,903	311,476
tip	67	8,561,367	127,782
complaint	3	82,817	27,606
confession	1	24,019	24,019
conduct	10	1,724,373	172,437
admin. enq.	333	35,746,008	107,345
judicial enq.	191	26,202,530	137,186
info from EU	2	154,047	77,024
irr. from EU	148	7,306,650	49,369
scrutiny 3508	19	694,869	36,572
routine	344	43,241,033	125,701
prob. checks	3	63,977	21,326
chance	4	405,455	101,364
random	22	2,027,301	92,150
doubts	60	5,368,565	89,476
risk analysis	30	5,074,315	169,144
comp. data	15	1,387,616	92,508
payment	18	4,716,376	262,021
paym. balance	4	915,111	228,778
review	21	1,423,101	67,767
other	22	4,152,153	188,734

Graph NR16\_a: All reasons for performing controls - Numbers and financial amounts involved





Graph NR16\_b: Zoom on less frequent reasons for performing controls - Numbers and financial amounts involved



Map NR1: Number of irregularities reported as fraudulent by Member State - Rural development- 2013-2017

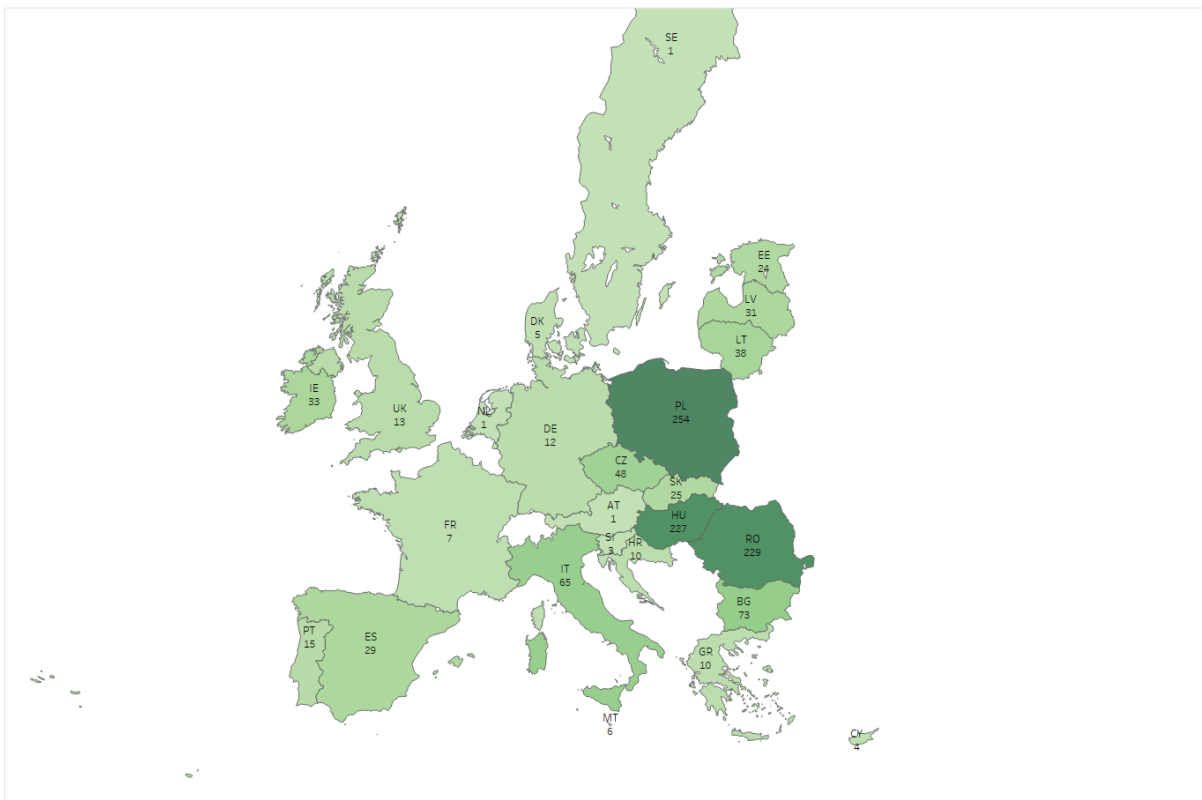


Table NR17 provides an overview of the reasons why controls were performed with reference to rural development during 2013-2017, with a focus on controls that led to discover irregularities not reported as fraudulent.

Map NR2 provides an overview by Member State of the number of irregularities not reported as fraudulent with reference to rural development during 2013-2017. Besides ranking as the most active Member States in detecting potential frauds in RD, Romania, Poland and Hungary were among the most active also for irregularities not reported as fraudulent. For non fraudulent irregularities, also Portugal, Spain and Italy must be mentioned among the Member States with the highest frequency, while they did not report a significant amount of potential frauds. The comparison is striking, in particular for Portugal and Spain, where the ratio (fraud)/(non fraud) was 0.012 and 0.03, respectively.

'*Administrative enquiry*' and '*Routine*' were by far the most frequent reasons for starting a control. The average financial amounts were broadly in line with the global average. '*Administrative enquiry*' was mostly reported by Romania and Hungary, while '*Routine*' by Portugal and Poland.

Controls that started because of a '*Judicial enquiry*' were relatively rare, but they were the ones with the second highest average financial amount. These cases are concentrated in Romania and Italy. The highest average financial amount is for the few cases triggered by an irregularity detected and reported by an EU body.

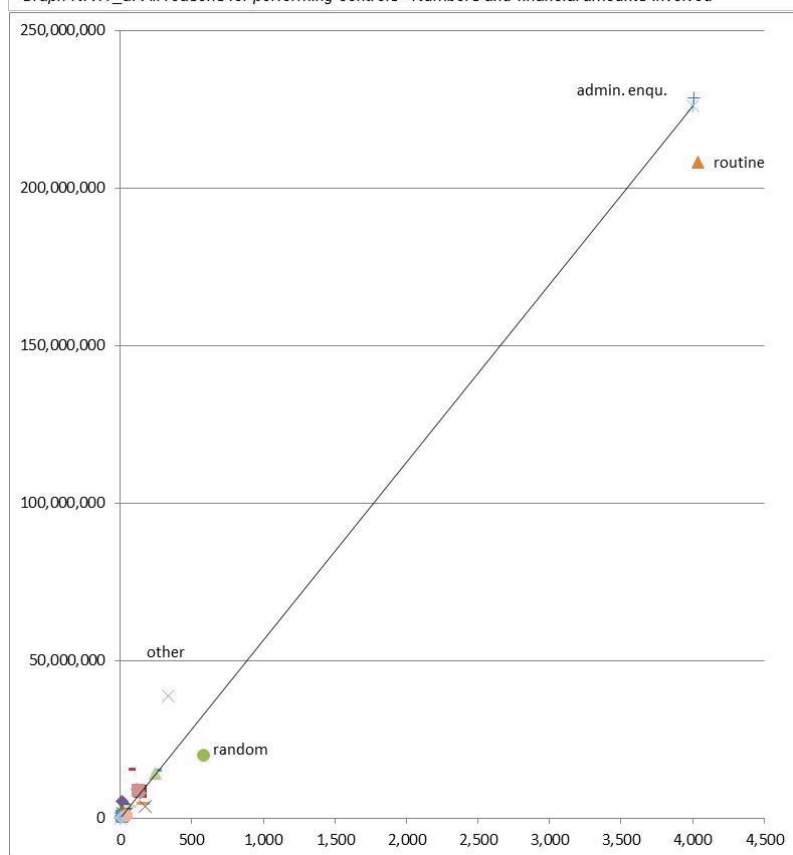
Another reason that is less frequently reported – but shows a good 'productivity' – is '*risk analysis*'. Most cases were concentrated in Hungary, Spain, Germany and Lithuania (in the latter Member State, risk analysis led also to detect a relatively high number of potential frauds – see above).

Also '*Tip*' and '*Media*' showed good average financial amounts, but these reasons are not often at the basis of controls, especially '*Media*'. Lithuania was the Member State where more cases were started because of information provided by the media. Cases that started because of a '*Tip*' were more widespread, with Poland ranking high (similarly to what could be found in relation to irregularities reported as fraud). Nevertheless, the highest ranking is for the United Kingdom, where '*Tip*' had instead a negligible role in detecting irregularities reported as fraudulent.

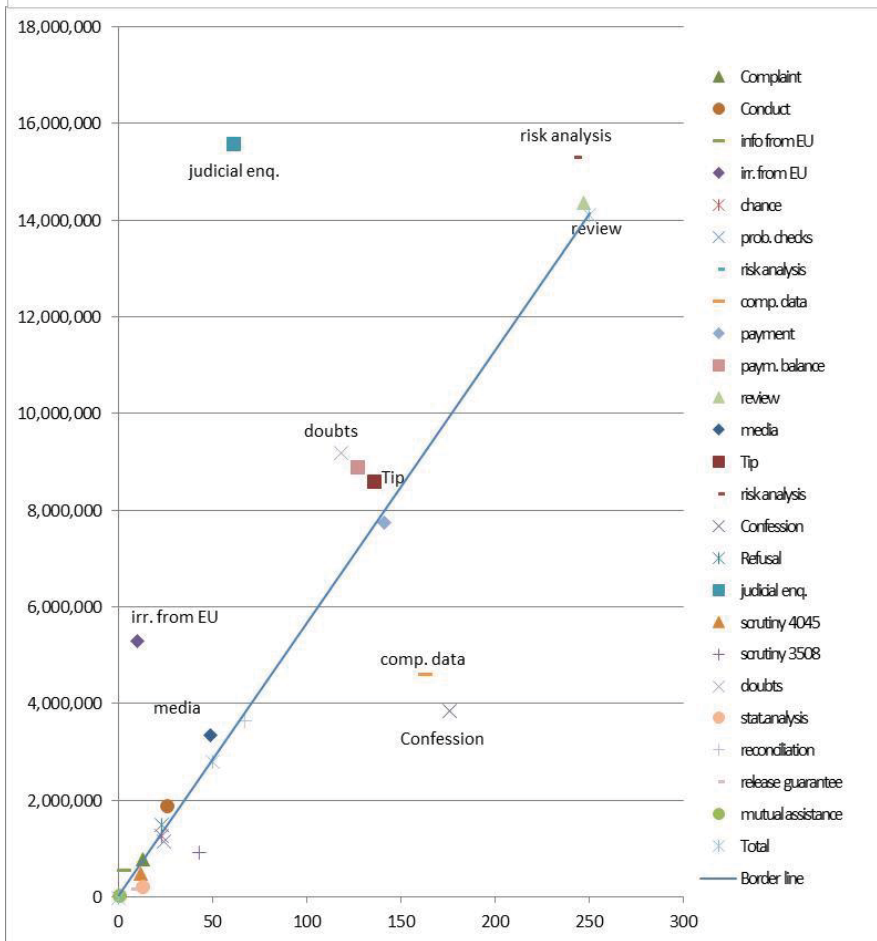
Table NR17: Reasons for performing controls leading to irregularities not reported as fraudulent in rural development

Reason for performing control	Irregularities not reported as fraudulent - Rural development - 2013-2017		
	Reported	Involved amounts	Average amounts
	N	EUR	EUR
media	49	3,367,063	68,716
Tip	136	8,576,429	63,062
Complaint	13	794,268	61,098
Confession	176	3,869,306	21,985
Refusal	23	1,516,119	65,918
Conduct	26	1,874,508	72,096
admin. enq.	4,011	228,548,937	56,981
judicial enq.	61	15,564,204	255,151
mutual assistance	1	16,129	16,129
info from EU	3	550,098	183,366
irr. from EU	10	5,323,753	532,375
scrutiny 4045	12	494,404	41,200
scrutiny 3508	43	930,443	21,638
routine	4,040	208,257,306	51,549
prob. checks	24	1,160,478	48,353
chance	23	1,290,695	56,117
random	582	19,996,113	34,358
doubts	118	9,213,327	78,079
risk analysis	242	15,290,896	63,186
stat.analysis	13	200,316	15,409
comp. data	163	4,594,967	28,190
reconciliation	67	3,660,530	54,635
payment	141	7,752,690	54,984
paym. balance	127	8,879,126	69,914
release guarantee	7	151,872	21,696
review	247	14,381,656	58,225
other	337	38,670,832	114,750

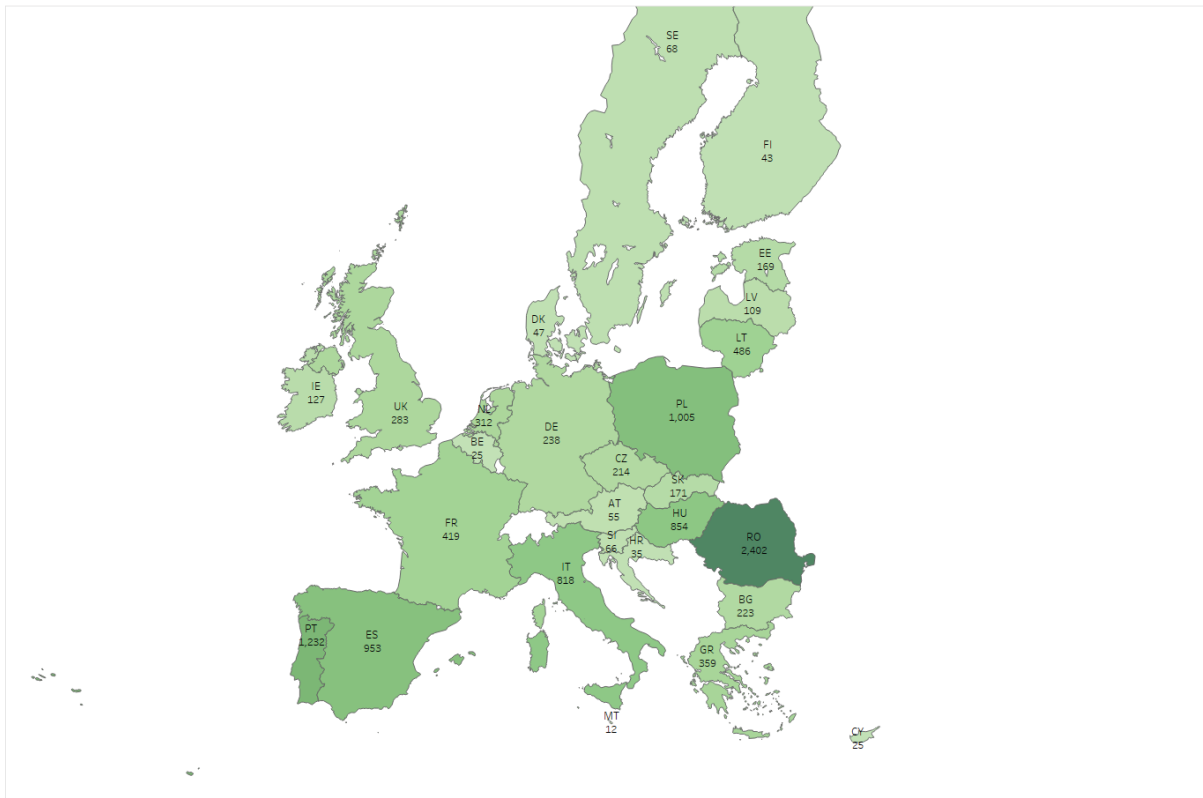
Graph NR17\_a: All reasons for performing controls - Numbers and financial amounts involved



Graph NR17\_b: Zoom on less frequent reasons for performing controls - Numbers and financial amounts involved



Map NR2: Number of irregularities not reported as fraudulent by Member State - Rural development- 2013-2017



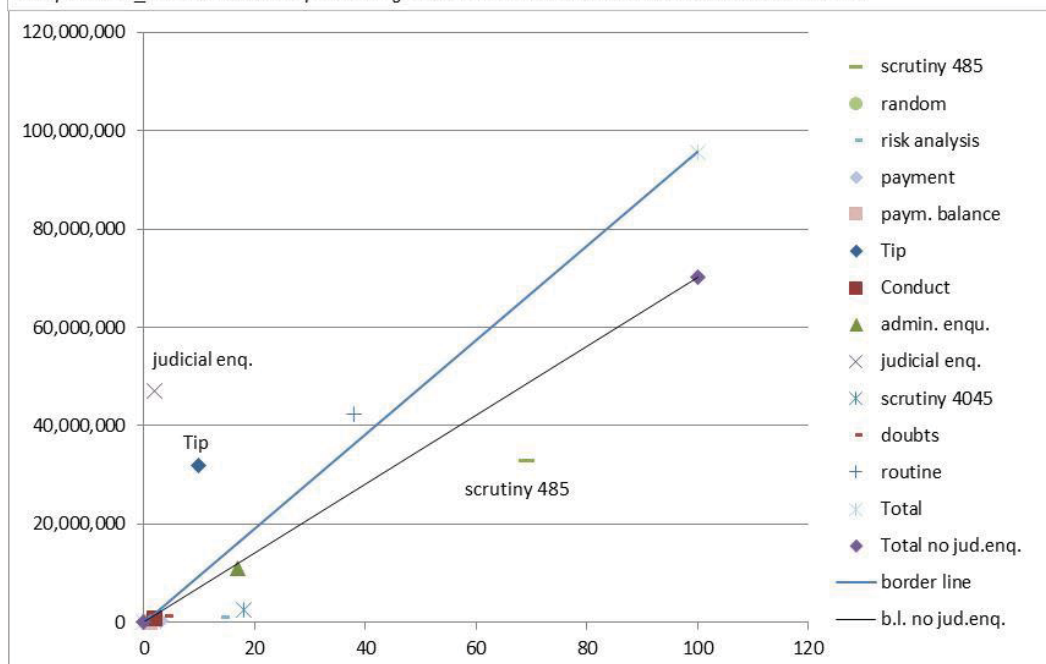
### 3.3.4.2 Irregularities in relation to market measures

Table NR18 provides an overview of the reasons why controls were performed with reference to market measures during 2013-2017, with a focus on controls that led to discover irregularities reported as fraudulent.<sup>58</sup> The description of the 'reason for performing control' has been shortened to simplify the Table and associated Graphs<sup>59</sup>, but the full description can be consulted in Annex 14.

Table NR18: Reasons for performing controls leading to irregularities reported as fraudulent in market measures

Reason for performing control	Irregularities reported as fraudulent - Market measures - 2013-2017		
	Reported	Involved amounts	Average amounts
	N	EUR	EUR
Tip	10	31,976,692	3,197,669
Conduct	2	766,780	383,390
admin. enq.	17	10,934,193	643,188
judicial enq.	2	47,056,841	23,528,421
scrutiny 4045	18	2,561,264	142,292
scrutiny 485	69	32,841,045	475,957
routine	38	42,437,464	1,116,775
random	1	63,708	63,708
doubts	4	1,215,793	303,948
risk analysis	14	1,180,082	84,292
payment	3	285,088	95,029
paym. balance	1	18,980	18,980

Graph NR18\_a: All reasons for performing controls - Numbers and financial amounts involved

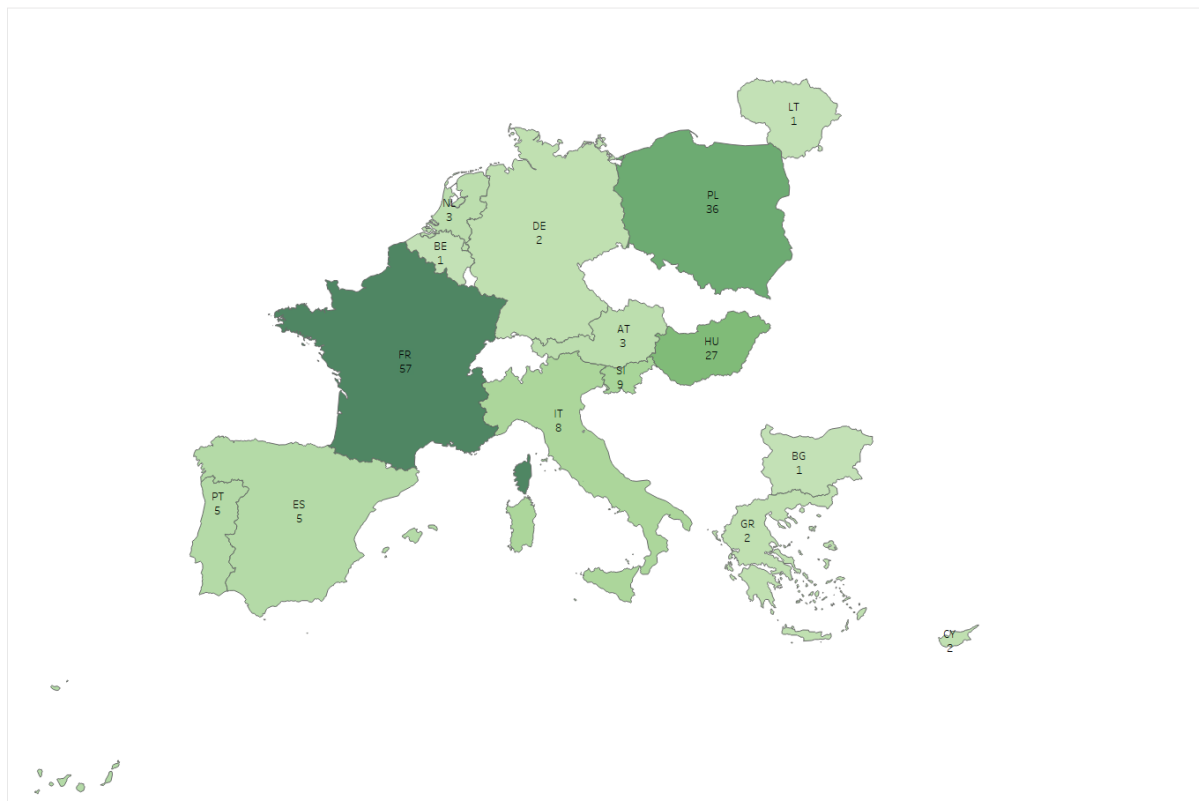


<sup>58</sup> For the analysis of the reasons for performing controls, only cases where the amount of the reported irregularity is greater than zero have been considered. Within the same case, reference can be made to more than one reason for performing the control. This case has been counted in each 'reason' mentioned in the notification by the Member State. As a consequence, the sum of irregularities in Table NR18 (and similar Tables in this section) is higher than the actual number of relevant cases. This is why the row of totals is not included in the Table. Whenever reference is made to a 'global average', this must be understood as the average financial amount of the relevant cases (potential frauds affecting market measures, for comments related to Table NR18, or non fraudulent irregularities affecting market measures, for comments related to Table NR19). It is calculated on the basis of data in Table NR18 (or NR19) so it implies some double counting.

<sup>59</sup> In the graph associated to Table NR18, the upper straight line takes into consideration all cases, while the lower straight line is the result of not considering the 'judicial enquiry' outlier.

Map NR3 provides an overview by Member State of the number of irregularities reported as fraudulent with reference to market measures during 2013-2017.

Map NR3: Number of irregularities reported as fraudulent by Member State - Market measures - 2013-2017



The most active Member States in detecting potential fraud in relation to market measures were France, Poland and Hungary, which reported 74% of these cases.

The most recurrent reason for starting these controls was the scrutiny provided for by Regulation 485/2008.

This Regulation provides that the Member States shall carry out systematic scrutiny of the commercial documents of undertakings. Member States shall select the undertaking on the basis of risk analysis. The Regulation provides for a high number of controls<sup>60</sup>, but the ones that led to discover irregularities were concentrated in just two Member States (France and Hungary) and resulted in a below-the-average financial amount<sup>61</sup>. It is possible that some cases were reported in other categories, such as '*Routine*' or '*administrative enquiry*'. '*Risk analysis*' is explicitly mentioned in 14 cases.

'*Tip*' was rarely the reason for controls that led to detect potential fraud, but these cases were very 'productive'. Most of these cases were in Poland and Spain. With 10 out of 162 cases (6.2%), this is the field (irregularities reported as fraudulent in relation to market measures) where this reason was relatively more frequent (within the CAP context). In general, it can be

<sup>60</sup> This scrutiny applies, for each period, to a number of undertakings which may not be less than half the undertakings whose receipts or payments, or the sum thereof, under the system of financing by the EAGF, amounted to more than EUR 150,000 for the previous financial year.

<sup>61</sup> Nevertheless, concerning the average financial amount of the detected potential frauds, it should be considered that it is about EUR 476,000, based on the highest number of cases (69 – which should make the average more 'solid' than other 'reasons' where the average is based on less cases).

noticed that the reason '*tip*' is more recurrent in relation to fraudulent cases than in cases not reported as fraudulent (within CAP).<sup>62</sup>

'*Judicial enquiry*' was mentioned only in two cases, with an exceptional average financial amount.

Table NR19 provides an overview of the reasons why controls were performed with reference to market measures during 2013-2017, with a focus on controls that led to discover irregularities not reported as fraudulent.

There are three reasons that cover most of the cases: '*Routine*', '*Administrative enquiry*' and '*Scrutiny 4045*'. '*Administrative enquiry*' stands out in terms of average financial amount.<sup>63</sup>

The reason '*Scrutiny 4045*' should be interpreted taking into consideration also the cases where '*Scrutiny 485*' is mentioned: both Regulation 4045/1989 and Regulation 485/2008 deal with the scrutiny of commercial documents of those entities receiving payments from the Guarantee section of the EAGGF (Reg. 4045/1989) or from the EAGF (Reg. 485/2008)<sup>64</sup>. While Reg. 485/2008 explicitly introduced the concept of risk analysis (see above), Reg. 4045 already required consideration for risk factors and concentration on sectors or undertakings where the risk of fraud is high. The average financial amount involved in irregularities discovered on the basis on '*scrutiny 485*' was significantly higher than the average financial amount related to the previous '*scrutiny 4045*'. It is possible that some cases were reported in other categories, such as '*Routine*' or '*administrative enquiry*'. '*Risk analysis*' is explicitly mentioned in 25 cases.

Map NR4 provides an overview by Member State of the number of irregularities not reported as fraudulent with reference to market measures during 2013-2017. The most active Member States in detecting non fraudulent irregularities in relation to market measures were Spain, France and Italy, which reported 63% of these cases.

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<sup>62</sup> In relation to irregularities reported as fraudulent: '*rural development*' = 5.8% and '*direct payments*' = 4.5%. In relation to irregularities not reported as fraudulent: '*rural development*' = 1.1%; '*market measures*' = 0; '*direct payments*' = 1.4%

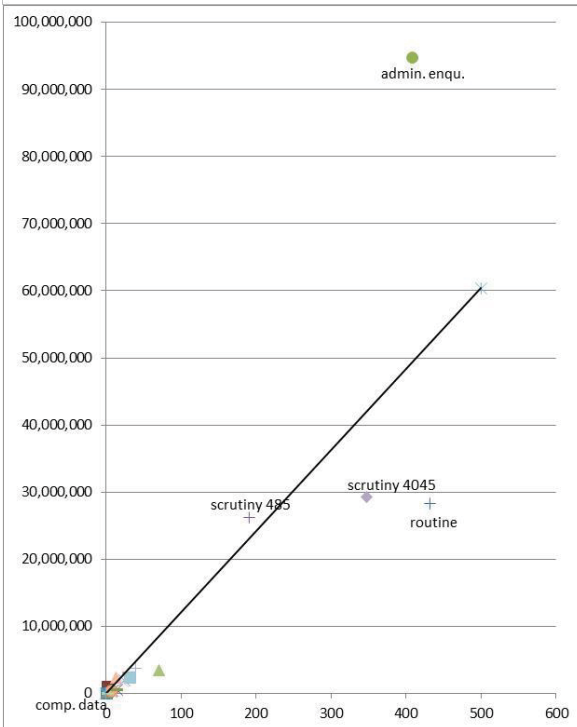
<sup>63</sup> In the graph associated to Table NR19, the upper straight line takes into consideration all cases, while the lower trend line is the result of not considering the '*administrative enquiry*' outlier.

<sup>64</sup> Reg. 485/2008 repealed Reg. 4045/1989.

Table NR19: Reasons for performing controls leading to irregularities not reported as fraudulent in market measures

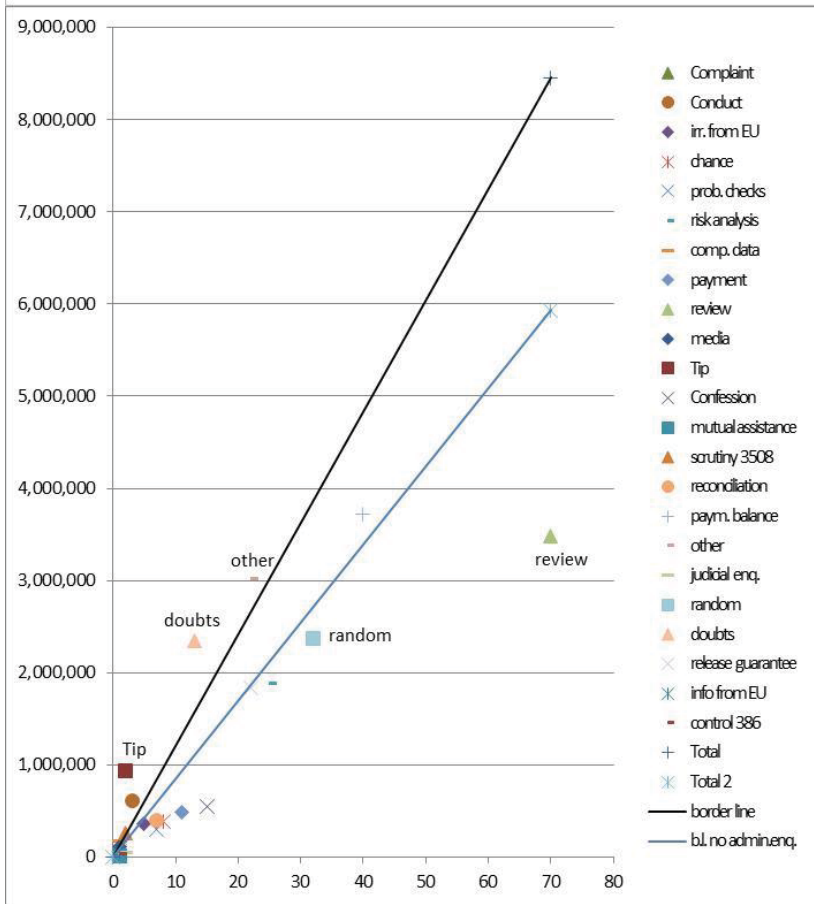
Reason for performing control	Irregularities not reported as fraudulent - Market measures 2013-2017		
	Reported N	Involved amounts EUR	Average amounts EUR
media	1	109,217	109,217
Tip	2	933,196	466,598
Complaint	1	11,619	11,619
Confession	15	554,662	36,977
Conduct	3	617,315	205,772
admin. enq.	408	94,669,740	232,034
judicial enq.	2	48,027	24,014
mutual assistance	1	13,759	13,759
info from EU	1	64,709	64,709
irr. from EU	5	365,073	73,015
scrutiny 4045	348	29,229,208	83,992
scrutiny 3508	2	266,230	133,115
scrutiny 485	191	26,178,674	137,061
control 386	1	38,150	38,150
routine	432	28,233,240	65,355
prob. checks	7	298,169	42,596
chance	8	388,365	48,546
random	32	2,374,381	74,199
doubts	13	2,344,087	180,314
risk analysis	25	1,883,545	75,342
comp. data	1	170,794	170,794
reconciliation	7	403,765	57,681
payment	11	482,715	43,883
paym. balance	40	3,714,287	92,857
release guarantee	22	1,839,782	83,626
review	70	3,488,800	49,840
other	22	3,024,434	137,474

Graph NR19\_a: All reasons for performing controls - Numbers and financial amounts involved

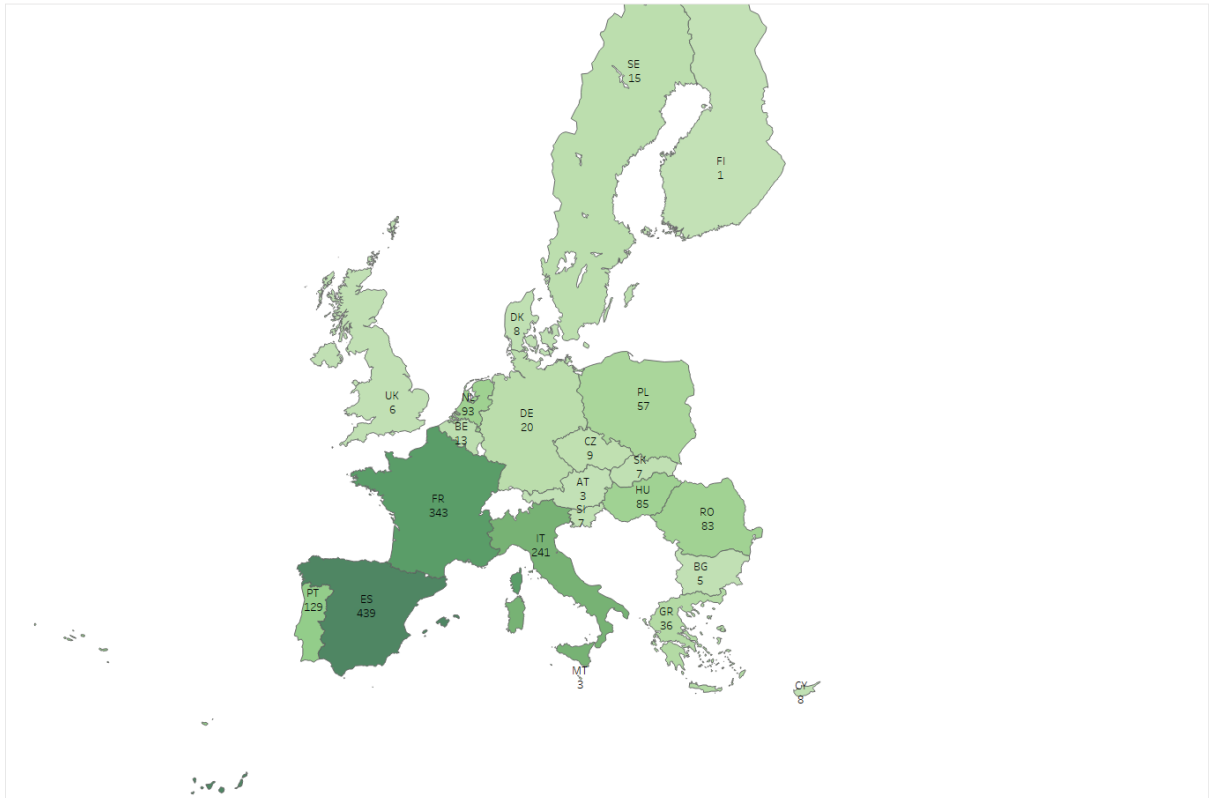




Graph NR19\_b: Zoom on less frequent reasons for performing controls - Numbers and financial amounts involved



Map NR4: Number of irregularities not reported as fraudulent by Member State - Market measures - 2013-2017



### 3.3.4.3 Irregularities in relation to direct payments

Table NR20 provides an overview of the reasons why controls were performed with reference to direct payments to farmers during 2013-2017, with a focus on controls that led to discover irregularities reported as fraudulent.<sup>65</sup> The description of the 'reason for performing control' has been shortened to simplify the Table and associated Graphs, but the full description can be consulted in Annex 14.

'Judicial enquiry' and 'routine' were the most recurrent reasons for starting controls that then led to irregularities reported as fraudulent. The average financial amount involved in irregularities discovered because of 'judicial enquiry' was lower than the global average, while the contrary was recorded in relation to 'routine'.

In the direct payments field, Regulation 3508/1992 applies. This Regulation requires the Member State to set up an integrated administration and control system. 'Scrutiny 3508' appears in a limited number of cases. It is possible that some cases were reported in other categories, such as 'Routine' or 'administrative enquiry'. 'Risk analysis' was explicitly mentioned in 54 cases.

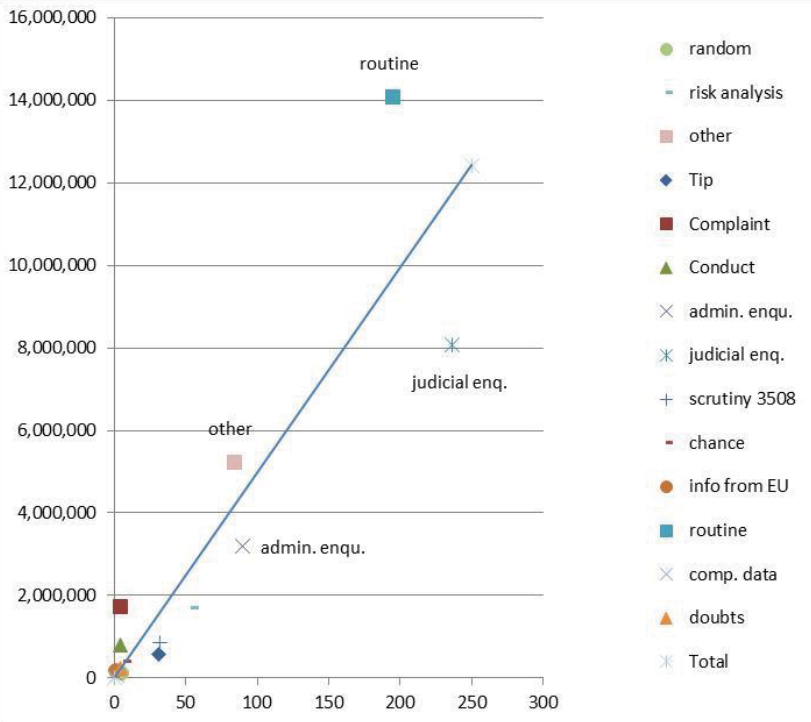
Map NR5 provides an overview by Member State of the number of irregularities reported as fraudulent with reference to direct payments during 2013-2017. The most active Member States in detecting irregularities reported as fraudulent in relation to direct payments were Romania, Italy and Poland, which reported 67% of these cases.

Table NR20: Reasons for performing controls leading to irregularities reported as fraudulent in direct payments

Reason for performing control	Irregularities reported as fraudulent - Direct payments - 2013-2017		
	Reported	Involved amounts	Average amounts
	N	EUR	EUR
Tip	31	567,293	18,300
Complaint	4	1,741,207	435,302
Conduct	4	804,913	201,228
admin. enq.	90	3,188,068	35,423
judicial enq.	236	8,060,969	34,157
info from EU	1	187,819	187,819
scrutiny 3508	32	858,300	26,822
routine	195	14,090,416	72,259
chance	7	405,262	57,895
random	5	106,508	21,302
doubts	4	239,536	59,884
risk analysis	54	1,691,891	31,331
comp. data	2	52,802	26,401
other	84	5,232,615	62,293

<sup>65</sup> For the analysis of the reasons for performing controls, only cases where the amount of the reported irregularity is greater than zero have been considered. Within the same case, reference can be made to more than one reason for performing the control. This case has been counted in each 'reason' mentioned in the notification by the Member State. As a consequence, the sum of irregularities in Table NR20 (and similar Tables in this section) is higher than the actual number of relevant cases. This is why the row of totals is not included in the Table. Whenever reference is made to a 'global average', this must be understood as the average financial amount of the relevant cases (potential frauds affecting direct payments, for comments related to Table NR20, or non fraudulent irregularities affecting direct payments, for comments related to Table NR21). It is calculated on the basis of data in Table NR20 (or NR21) so it implies some double counting.

Graph NR20\_a: All reasons for performing controls - Numbers and financial amounts involved



Map NR5: Number of irregularities reported as fraudulent by Member State - Direct payments - 2013-2017

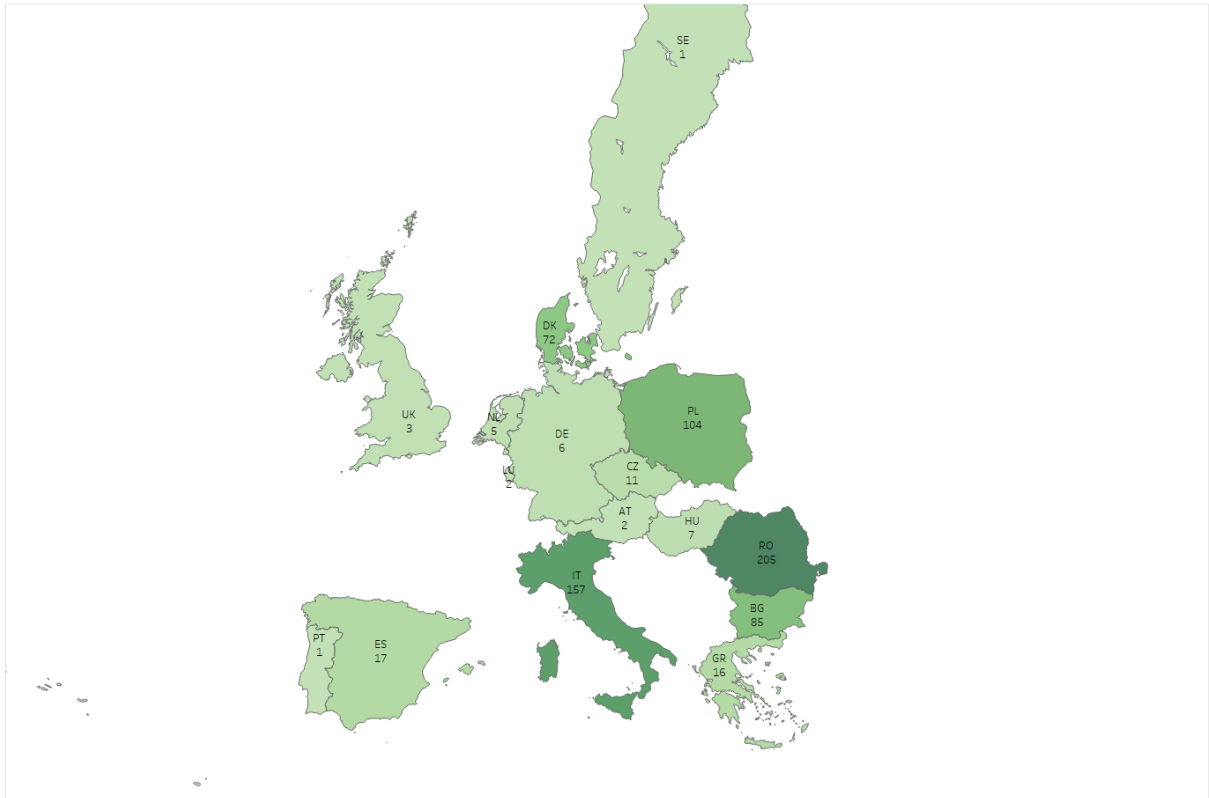


Table NR21 provides an overview of the reasons why controls were performed with reference to direct payments to farmers during 2013-2017, with a focus on controls that led to discover irregularities not reported as fraudulent.

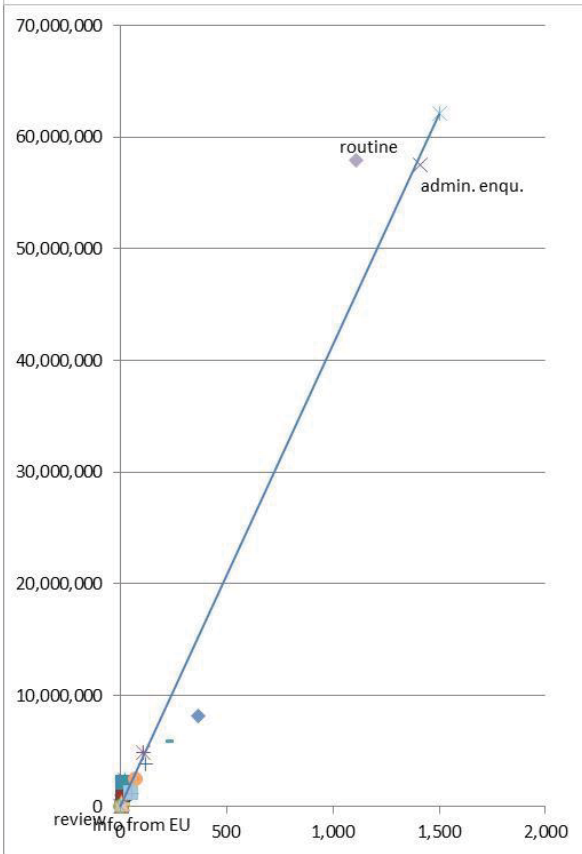
'Administrative enquiry' and 'routine' were the most recurrent reasons for starting controls that then led to irregularities not reported as fraudulent. The average financial amount involved in irregularities discovered because of 'administrative enquiry' was in line with the global average, while 'routine' was above such average.

'Scrutiny 3508' appears in a significant number of cases, with a low average financial amount. It is possible that some cases were reported in other categories, such as 'Routine' or 'administrative enquiry'. 'Risk analysis' was explicitly mentioned in 218 cases, with an average financial amount lower than the global average.

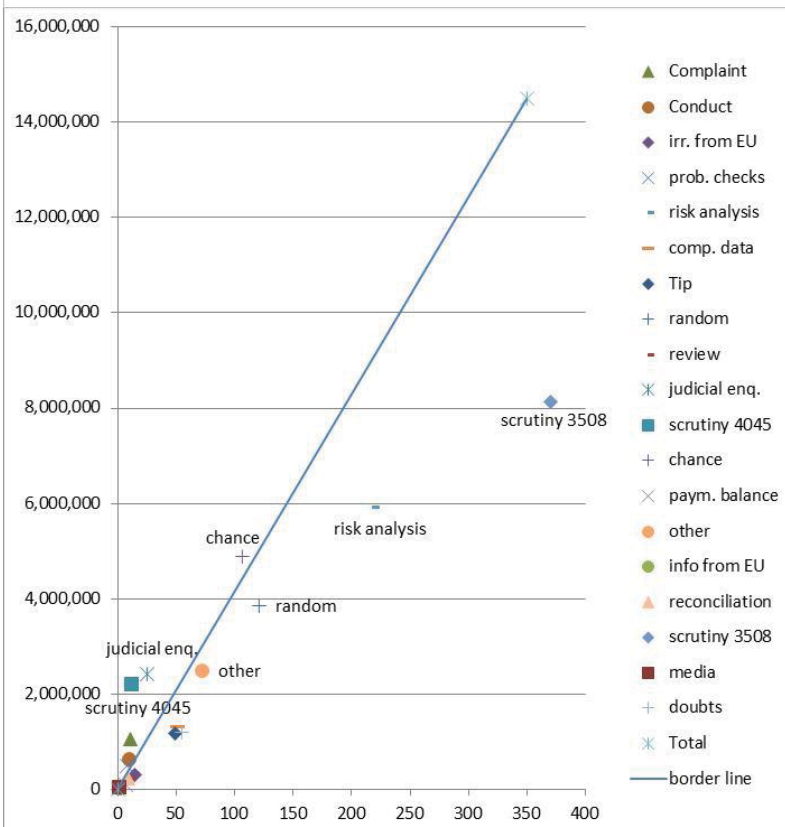
Table NR21: Reasons for performing controls leading to irregularities not reported as fraudulent in direct payments

Reason for performing control	Irregularities not reported as fraudulent - Direct payments 2013-2017		
	Reported N	Involved amounts EUR	Average amounts EUR
Tip	49	1,184,995	24,184
media	1	48,181	48,181
Complaint	11	1,068,001	97,091
Conduct	10	631,635	63,164
admin. enq.	1,412	57,526,200	40,741
judicial enq.	25	2,422,873	96,915
info from EU	1	14,711	14,711
irr. from EU	15	299,795	19,986
scrutiny 4045	12	2,197,974	183,165
scrutiny 3508	370	8,132,506	21,980
routine	1,111	57,869,178	52,087
prob. checks	8	498,657	62,332
chance	107	4,895,044	45,748
random	121	3,842,800	31,759
doubts	55	1,195,931	21,744
risk analysis	218	5,916,212	27,139
comp. data	51	1,322,930	25,940
reconciliation	9	230,517	25,613
paym. balance	7	98,345	14,049
review	10	227,902	22,790
other	72	2,492,870	34,623

Graph NR21\_a: All reasons for performing controls - Numbers and financial amounts involved

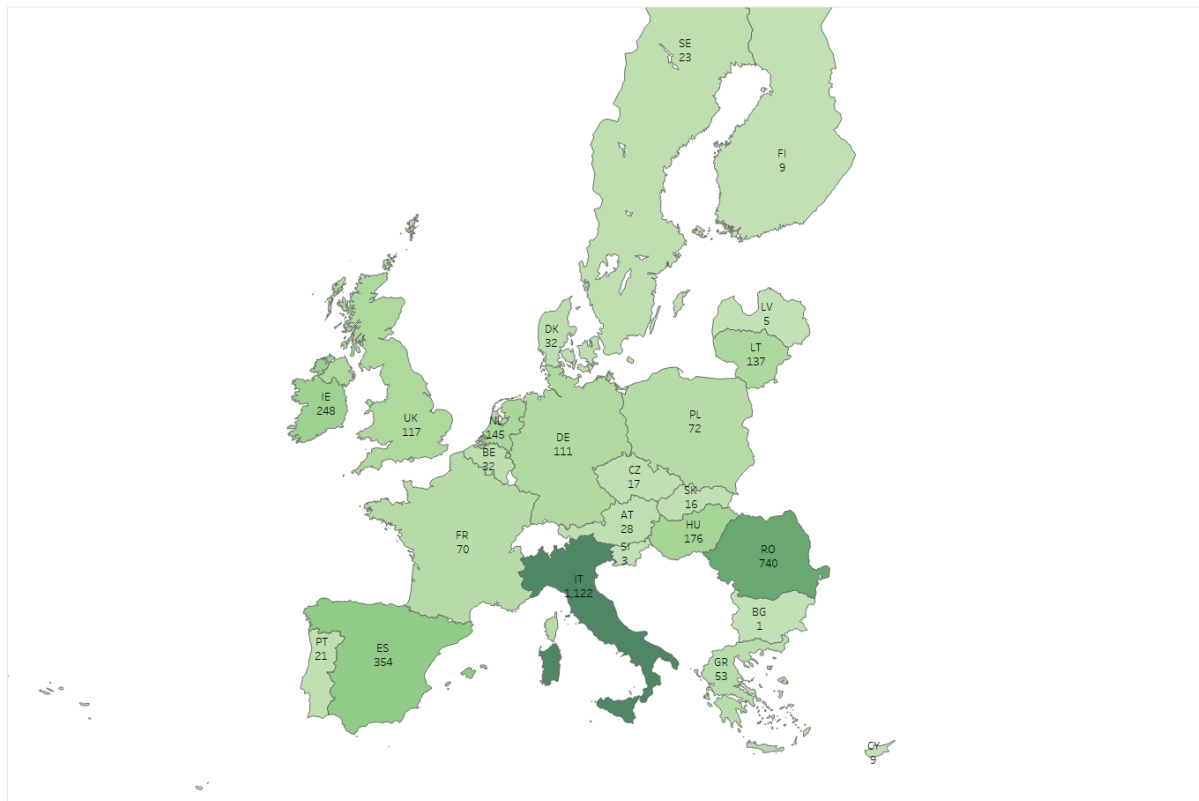


Graph NR21\_b: Zoom on less frequent reasons for performing controls - Numbers and financial amounts involved



Map NR6 provides an overview by Member State of the number of irregularities not reported as fraudulent with reference to direct payments during 2013-2017. The most active Member States in detecting non fraudulent irregularities in relation to direct payments were Italy and Romania, which reported 53% of these cases.

Map NR6: Number of irregularities not reported as fraudulent by Member State - Direct payments - 2013-2017



### 3.4. Anti-fraud activities of Member States

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

The present section digs into some aspects linked to the anti-fraud activities and results of Member States. Four elements are analysed:

- (1) duration of irregularities (fraudulent and non-fraudulent). No analysis by Member State is presented in this section;
- (2) the number of irregularities reported as fraudulent by each Member State (in 2017 and over the last five years);
- (3) the fraud detection rate (FDR - the ratio between the amounts involved in cases reported as fraudulent and the payments occurred in the same period) and the irregularity detection rate (IDR - the ratio between the amounts involved in cases not reported as fraudulent and the payments occurred in the same period) over the last five years<sup>66</sup>;
- (4) the ratio of cases of established fraud on the total number of irregularities reported as fraudulent.

<sup>66</sup> The Member States have the obligation to report only irregularities for which payment and certification to the European Commission occurred. As a consequence, the IDR focuses on the 'repressive' side of the anti-fraud cycle and does not include the results of 'prevention' activities. This does not apply to the FDR, as fraudulent cases must be reported regardless.

### *3.4.1. Duration of irregularities*

Of the 18,281 irregularities (fraudulent and non-fraudulent) reported by Member States in 2013-2017 in relation to CAP, 10,580 (58% of the total) involved infringements that have been protracted during a span of time. For the 2,081 irregularities reported as fraudulent, this percentage is higher at about 61%. The remaining part of the dataset refers to irregularities which consisted of a single act identifiable on a precise date (about 34% of the whole dataset and 37% of that including exclusively the fraudulent irregularities) or for which no reliable information has been provided<sup>67</sup> (8% of the whole dataset, but only 2% of the irregularities reported as fraudulent).

The average duration of the irregularities which have been protracted over time was 26 months (*i.e.* 2 years and 2 months). For the irregularities reported as fraudulent, this average was 4 months more: 30 months.

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

#### *3.4.2.1. Reported in 2017*

Table NR22 offers an overview of the irregularities reported as fraudulent by Member States in 2017. It also shows the related amounts, overall payments for the agricultural policy and the FDR.

Belgium, Cyprus, Finland, Malta, Sweden and the United Kingdom have notified no irregularities as fraudulent; other nineteen (19) Member States reported less than 30 potentially fraudulent irregularities; one (1) country reported between 30 and 60; two (2) Member States more than 60.

Poland, Romania and Italy are the three countries which have reported the highest numbers, while Poland, Romania and Bulgaria reported the highest amounts. Estonia and Poland's FDRs approached 1%, more than double the third highest FDR, which is Bulgaria's.

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<sup>67</sup> This includes cases where start date and end date were not filled in (1,532 cases, of which 49 cases reported as fraudulent) and one irregularity dated 1905.

Table NR22: Irregularities reported as fraudulent by Member State in 2017

Member State	Irregularities reported as fraudulent 2017		Payments in 2017 (1)	FDR 2017 (1)
	N	EUR	N	%
AT	1	122,538	1,200,262,705	0.01
BG	16	3,852,238	1,007,738,707	0.38
CZ	8	494,087	1,124,630,786	0.04
DE	6	981,201	5,999,063,083	0.02
DK	3	8,119	965,360,952	0.00
EE	8	2,199,728	223,685,124	0.98
ES	5	298,302	6,322,394,462	0.00
FR	9	1,326,255	9,761,449,298	0.01
EL	2	26,628	2,800,133,214	0.00
HR	2	358,047	359,488,873	0.10
HU	14	1,075,823	1,509,319,633	0.07
IE	2	15,242	1,485,734,733	0.00
IT	36	1,370,571	5,234,555,105	0.03
LT	6	1,246,395	699,862,633	0.18
LU	1	15,857	43,375,243	0.04
LV	1	4,353	380,764,646	0.00
NL	6	183,866	879,459,391	0.02
PL	79	37,954,297	4,047,415,734	0.94
PT	4	176,918	1,293,500,630	0.01
RO	64	7,973,885	3,338,629,247	0.24
SI	1	46,897	224,624,111	0.02
SK	2	149,444	611,661,676	0.02
<b>TOTAL</b>	<b>276</b>	<b>59,880,690</b>	<b>55,599,736,092</b>	<b>0.11</b>

#### 3.4.2.2. Reported during the period 2013-17

Table NR23 offers an overview of the irregularities reported as fraudulent by Member States between 2013 and 2017. It also shows the related amounts, overall payments for the agricultural policy and the FDR.

Only Finland notified no irregularities as fraudulent; the majority of Member States (22, excluding Finland) reported less than 100 potentially fraudulent irregularities; one (1) Member State reported between 100 and 200; two (2) Member States notified between 201 and 300 and other two (2) more than 300.

Romania, Poland, Italy and Hungary are the Member States which have reported the highest numbers, while Poland, Romania, the Netherlands and Italy reported the highest amounts. Netherland and Estonia's FDRs are around 1%, more than double the third highest FDR, which is Poland's.



Table NR23: Irregularities reported as fraudulent by Member State in 2013-17

Member State	Irregularities reported as fraudulent in 2013-17		Payments in 2013-17	FDR 2013-17
	N	EUR	N	%
AT	7	191,264	5,885,560,687	0.00
BE	1	390,000	3,295,149,656	0.01
BG	159	18,252,662	5,016,656,621	0.36
CY	6	252,222	376,622,297	0.07
CZ	59	4,574,114	5,802,205,501	0.08
DE	20	1,915,535	30,848,092,835	0.01
DK	78	2,582,698	4,976,307,936	0.05
EE	24	9,308,040	951,478,539	0.98
ES	55	2,868,158	32,894,462,521	0.01
FR	64	30,358,135	45,610,690,110	0.07
EL	31	2,230,325	13,709,306,374	0.02
HR	11	2,329,059	797,292,268	0.29
HU	261	20,035,408	8,541,304,987	0.23
IE	34	388,679	7,487,836,908	0.01
IT	271	38,378,094	28,051,951,780	0.14
LT	39	9,333,145	3,127,272,351	0.30
LU	2	267,908	214,266,669	0.13
LV	31	2,299,285	1,501,333,338	0.15
MT	6	175,628	65,876,171	0.27
NL	9	47,084,469	4,620,857,209	1.02
PL	399	92,304,736	23,574,093,590	0.39
PT	21	6,854,597	6,658,095,873	0.10
RO	435	49,308,878	13,347,161,223	0.37
SE	4	36,723	4,390,598,209	0.00
SI	12	1,167,250	1,201,978,977	0.10
SK	26	7,135,160	2,873,368,789	0.25
UK	16	890,477	19,356,328,761	0.00
<b>TOTAL</b>	<b>2,081</b>	<b>350,912,649</b>	<b>279,379,058,098</b>	<b>0.13</b>

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

#### 3.4.3.1. Market measures

Table NR24 focuses on market measures and shows the Member States which have reported potentially fraudulent irregularities in the period 2013-2017. Detections are measured against the expenditure over the same period to calculate the FDR.

15 Member States have reported potentially fraudulent cases in this area. France, Poland and Hungary reported the highest numbers. The highest financial amounts were communicated by Poland, the Netherlands, France and Italy. The Netherlands and Poland show the highest FDRs, while the FDRs of Hungary, Slovenia and France range between about 2% and 1%.

Table NR24: Market measures: number of irregularities reported as fraudulent 2013-2017, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2013-17		Payments 2013-2017	FDR 2013-2017	
	N	EUR	N	%	
AT	3	142,163	134,848,872	0.11	
BE	1	390,000	374,412,462	0.10	
BG	1	49,295	172,020,338	0.03	
CY	2	81,332	35,126,056	0.23	
DE	2	356,279	768,924,095	0.05	
ES	5	811,226	2,755,084,666	0.03	
FR	57	29,342,550	2,978,321,099	0.99	
EL	2	965,115	325,806,112	0.30	
HU	27	5,774,150	281,401,622	2.05	
IT	8	12,170,425	3,244,762,487	0.38	
LT	1	42,299	74,297,941	0.06	
NL	3	46,900,603	352,796,957	13.29	
PL	36	72,157,380	1,242,699,800	5.81	
PT	5	139,608	557,845,908	0.03	
SI	9	664,170	39,642,710	1.68	
<b>TOTAL</b>	<b>162</b>	<b>169,986,595</b>	<b>14,515,153,337</b>	<b>1.17</b>	

Individual cases involving significantly high amounts can produce a distortive effect on the overall analysis. This was particularly the case for the Netherlands, which show the highest FDR despite the low number of detections. The main case reported by the Netherlands refers to events dating back almost ten years.

Table NR25 shows the IDR per Member State, which therefore, refers to irregularities reported as non fraudulent.

22 Member States have reported non fraudulent cases with reference to market measures. Spain, France and Italy reported the highest numbers. The highest financial amounts were communicated by France, Romania and Spain. Malta, Romania and Denmark show the highest FDRs, while the FDRs of the Netherlands, Sweden, Hungary and Cyprus are above 2%.

Table NR25: Market measures: number of irregularities not reported as fraudulent 2013-2017, amounts involved and irregularity detection rate by Member State

Member State	Irregularities not reported as fraudulent in 2013-17		Payments in 2013-17	IDR 2013-17 (1)
	N	EUR	N	%
AT	3	133,390	134,848,872	0.10
BE	13	431,430	374,412,462	0.12
BG	5	1,430,215	172,020,338	0.83
CY	8	813,050	35,126,056	2.31
CZ	9	1,177,953	99,569,094	1.18
DE	20	1,206,756	768,924,095	0.16
DK	8	7,841,577	73,554,012	10.66
ES	439	27,273,762	2,755,084,666	0.99
FI	1	12,649	63,183,920	0.02
FR	343	53,080,487	2,978,321,099	1.78
EL	36	2,079,526	325,806,112	0.64
HU	85	6,984,571	281,401,622	2.48
IT	241	17,583,221	3,244,762,487	0.54
MT	3	372,454	2,534,435	14.70
NL	93	16,304,775	352,796,957	4.62
PL	57	10,000,894	1,242,699,800	0.80
PT	129	5,412,344	557,845,908	0.97
RO	83	44,670,715	329,449,091	13.56
SE	15	3,527,269	83,540,436	4.22
SI	7	260,709	39,642,710	0.66
SK	7	244,782	47,626,665	0.51
UK	6	331,367	296,818,869	0.11
<b>TOTAL</b>	<b>1,611</b>	<b>201,173,896</b>	<b>14,515,153,337</b>	<b>1.39</b>

A part of these irregularities (reported as fraudulent or not) are not exclusively referred to market measures, but the reporting authority may have also included budget posts referring to other measures, including direct payments or rural development. These irregularities have been included in their full value in Tables NR24 and NR25 (see also Annex 13).

### 3.4.3.2. Rural development

25 Member States have reported potentially fraudulent cases in relation to RD during the period 2013-2017, as showed in Table NR26. Detections are measured against the expenditure over the same period to calculate the FDR.

Poland, Romania and Hungary reported the highest numbers. The highest financial amounts were communicated by Romania, Poland, Bulgaria and Hungary. Estonia show the highest FDR, above 2%, while the FDR of Bulgaria approaches 1%.

Table NR26: Rural development: number of irregularities reported as fraudulent 2013-2017, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2013-17		Payments 2013-2017	FDR 2013-2017 (1)
	N	EUR	N	%
AT	1	14,444	2,265,800,842	0.00
BG	73	15,437,404	1,648,391,670	0.94
CY	4	170,890	95,301,799	0.18
CZ	48	4,350,401	1,445,819,422	0.30
DE	12	1,449,487	4,862,173,322	0.03
DK	5	64,909	425,659,442	0.02
EE	24	9,308,040	389,671,573	2.39
ES	29	1,485,982	4,571,831,177	0.03
FR	7	1,015,585	4,822,089,502	0.02
EL	10	369,247	2,598,419,510	0.01
HR	10	2,193,907	301,479,863	0.73
HU	227	13,626,554	1,960,397,463	0.70
IE	33	376,187	1,302,271,163	0.03
IT	65	5,214,339	5,391,583,116	0.10
LT	38	9,290,847	1,090,774,238	0.85
LV	31	2,299,285	629,474,787	0.37
MT	6	175,628	37,884,839	0.46
NL	1	33,289	379,419,256	0.01
PL	254	16,270,662	6,532,010,580	0.25
PT	15	6,677,760	2,870,669,346	0.23
RO	229	43,514,124	6,041,149,538	0.72
SE	1	13,753	896,217,824	0.00
SI	3	503,080	482,558,131	0.10
SK	25	7,133,677	811,122,801	0.88
UK	13	507,742	3,347,963,307	0.02
<b>TOTAL</b>	<b>1,164</b>	<b>141,497,223</b>	<b>56,981,631,352</b>	<b>0.25</b>

These irregularities are exclusively referred to rural development. A number of additional cases concern both rural development and support to agriculture, including market measures or direct payments (see Table NR5 and Annex 13).

Table NR27 shows the IDR per Member State, which therefore, refers to irregularities reported as non-fraudulent. Romania, Portugal, Poland, Spain, Hungary and Italy reported the highest numbers. The highest financial amounts were communicated by Romania, Spain and Portugal. Lithuania show the highest FDR, above 3%, while the FDR of Romania, the Netherlands, Portugal, Hungary and Slovakia range between 3% and 2%.

Table NR27: Rural development: number of irregularities not reported as fraudulent 2013-2017, amounts involved and irregularity detection rate by Member State

Member State	Irregularities not reported as fraudulent in 2013-17		Payments in 2013-17	IDR 2013-17
	N	EUR	N	%
AT	55	1,259,952	2,265,800,842	0.06
BE	25	541,378	219,499,436	0.25
BG	223	22,513,707	1,648,391,670	1.37
CY	25	719,607	95,301,799	0.76
CZ	214	11,605,552	1,445,819,422	0.80
DE	238	10,202,322	4,862,173,322	0.21
DK	47	3,090,719	425,659,442	0.73
EE	169	6,057,824	389,671,573	1.55
ES	953	69,998,620	4,571,831,177	1.53
FI	43	804,996	1,517,901,462	0.05
FR	419	8,205,302	4,822,089,502	0.17
EL	359	6,444,815	2,598,419,510	0.25
HR	35	1,282,344	301,479,863	0.43
HU	854	42,100,943	1,960,397,463	2.15
IE	127	4,865,168	1,302,271,163	0.37
IT	818	49,530,222	5,391,583,116	0.92
LT	486	41,163,587	1,090,774,238	3.77
LV	109	3,970,283	629,474,787	0.63
MT	12	617,532	37,884,839	1.63
NL	312	9,310,093	379,419,256	2.45
PL	1,005	37,415,236	6,532,010,580	0.57
PT	1,232	64,856,854	2,870,669,346	2.26
RO	2,402	174,118,818	6,041,149,538	2.88
SE	68	2,776,143	896,217,824	0.31
SI	66	1,748,932	482,558,131	0.36
SK	171	16,598,023	811,122,801	2.05
UK	283	6,409,374	3,347,963,307	0.19
<b>TOTAL</b>	<b>10,750</b>	<b>598,208,343</b>	<b>56,981,631,352</b>	<b>1.05</b>

These irregularities are exclusively referred to rural development. A number of additional cases concern both rural development and support to agriculture, including market measures or direct payments (see Table NR7 and Annex 13).

#### 3.4.4. Ratio of established fraud / Dismissal ratio

Since the PIF Report 2014, the analysis has also tried to focus on the rate of irregularities reported as fraudulent by Member States for which a final decision was taken, establishing that fraud really occurred. By comparing updated data with those published in 2014, it is also possible to identify how many cases have been dismissed (initially reported as fraudulent and then "declassified" or cancelled).

Table NR28, therefore, updates the table already published in the last three Reports indicating that the '*ratio of established fraud*' has slightly increased in comparison to last year (from 11% to 12%). Likewise, the '*dismissal ratio*' increased from 14% to 17%.

Table NR28: Number of cases of suspected and established fraud and ratio of established fraud - cases reported between 2009-13 in the CAP

Member State	Suspected fraud	Established fraud	TOTAL	Ratio established fraud	TOTAL 2013	Dismissal ratio
	N	N	N	%	N	%
AT	9	1	10	10%	10	0%
BE	10	1	11	9%	12	-8%
BG	162	59	221	27%	233	-5%
CZ	23	1	24	4%	20	20%
DE	12	4	16	25%	24	-33%
DK	118	0	118	0%	118	0%
EE	17	6	23	26%	22	5%
ES	21	1	22	5%	29	-24%
FI					1	-100%
FR	13	0	13	0%	27	-52%
GR	26	1	27	4%	34	-21%
HU	63	7	70	10%	89	-21%
IE	4	0	4	0%	4	0%
IT	280	10	290	3%	409	-29%
LT	5	0	5	0%	1	400%
LU	1	0	1	0%	1	0%
LV	5	2	7	29%	8	-13%
MT	5	0	5	0%	5	0%
NL	5	0	5	0%	4	25%
PL	141	30	171	18%	194	-12%
PT	2	1	3	33%	2	50%
RO	101	9	110	8%	147	-25%
SE	6	0	6	0%	6	0%
SI	9	4	13	31%	16	-19%
SK	4	1	5	20%	2	150%
UK	8	2	10	20%	8	25%
<b>TOTAL</b>	<b>1,050</b>	<b>140</b>	<b>1,190</b>	<b>12%</b>	<b>1,426</b>	<b>-17%</b>

### 3.5. Recovery cases

For an in-depth analysis of recovery and financial corrections in the CAP, see section 2.1.1.3 of the Annual Activity Report of DG AGRI and the 2017 Annual Management and Performance Report for the EU Budget<sup>68</sup>.

<sup>68</sup> COM (2018)457 on 6/6/2018. See also the Communication from the Commission to the Parliament, the Council and the Court of Auditors on the Protection of the EU budget – COM(2016)486 on 18/7/2016.



Brussels, 3.9.2018  
SWD(2018) 386 final

PART 2/2

**COMMISSION STAFF WORKING DOCUMENT**

**Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure**

*Accompanying the document*

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

**29th Annual Report on the Protection of the European Union's financial interests - Fight  
against fraud - 2017**

{COM(2018) 553 final} - {SWD(2018) 381 final} - {SWD(2018) 382 final} -  
{SWD(2018) 383 final} - {SWD(2018) 384 final} - {SWD(2018) 385 final}

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#### 4. THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS (ESIF)

Over half of EU funding is channelled through the 5 European structural and investment funds (ESIF). They are jointly managed by the European Commission and the EU countries.

The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy and environment.

The ESIF mainly focus on 5 areas:

- research and innovation;
- digital technologies;
- supporting the low-carbon economy;
- sustainable management of natural resources;
- small businesses.

The European structural and investment funds are:

- **European regional development fund (ERDF)** – promotes balanced development in the different regions of the EU;
- **European social fund (ESF)** - supports employment-related projects throughout Europe and invests in Europe's human capital – its workers, its young people and all those seeking a job;
- **Cohesion fund (CF)** – funds transport and environment projects in countries where the gross national income (GNI) per inhabitant is less than 90% of the EU average. In 2014-2020, these are Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia;
- **European agricultural fund for rural development (EAFRD)** <sup>1</sup> – focuses on resolving the particular challenges facing EU's rural areas;
- **European maritime and fisheries fund (EMFF)** – helps fishermen to adopt sustainable fishing practices and coastal communities to diversify their economies, improving quality of life along European coasts.

Due to the rules of functioning of the EMFF and (European Fisheries Fund (EFF)), which are very similar to those of the other structural funds, irregularities reported by Member States in relation to fisheries policies are treated in this chapter jointly with the funds for cohesion and economic convergence.

All these funds are managed by the EU countries themselves, by means of partnership agreements. Each country prepares an agreement, in collaboration with the European Commission, setting out how the funds will be used during the current funding period 2014-2020. Partnership agreements lead to a series of investment programmes channelling the funding to the different regions and projects in the policy areas concerned.

For 2014-2020, EUR 454 billion<sup>2</sup> in ESIF funding has been allocated to promote job creation and growth. National co-financing is expected to amount to at least EUR 183 billion, with total investment reaching EUR 637 billion.

These resources will contribute to:

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<sup>1</sup> Expenditure through EAFRD is considered in Section 3 'Common Agricultural Policy', when focusing on rural development.

<sup>2</sup> In 2011 prices.

- Strengthening Research and Innovation;
- Supporting the digital single market;
- Supporting the growth of Europe’s small and medium-sized enterprises (SMEs);
- Supporting the energy union and the low-carbon economy;
- Investing in environmental protection and resource efficiency;
- Climate change and risk prevention;
- Supporting sustainable transport;
- Promoting sustainable and quality employment;
- Promoting social inclusion;
- Investing in education and training;
- Support youth employment;
- Strengthening institutional capacity and efficient public administration.

However, this section of the report will focus on previous programming periods<sup>3</sup>, as only a very limited part of the reported irregularities refer to the period 2014-2020.

#### 4.1. General analysis

In comparison with the other budget sectors, the analysis of the cohesion policy poses a higher level of complexity, as information refers to different programming periods, which are regulated by different rules.<sup>4</sup>

Table CP1 offers an overview of the number of irregularities (both fraudulent and non-fraudulent) reported from 2013 to 2017, by programming period (PP) and fund.

Table CP1 does not suggest any major diversion from known trends and patterns in detection and reporting of irregularities, with the exception of year 2015. In this year, the number of reported irregularities doubled, before decreasing in the following years. In relation to this 2015 peak, the following can be pointed out:

- 1) The increase was mainly related to the PP 2007-13.
  - a. It was for the greatest part linked to the reporting of irregularities by one Member State (Spain), which covered almost half of the total number of irregularities reported in 2015.
  - a. This Spanish anomalous increase was due to delayed reporting of irregularities detected throughout the programming period. If they were excluded, the number of reported irregularities would still be higher than in 2014. However, this increase would be more in line with the programming cycle of the funds.
  - b. When support is based on multi-annual programmes, it can be expected that the number of irregularities increases around the end of the eligibility period and decreases

---

<sup>3</sup> For a description of the objectives of the programming period 2007-13, see the Commission Staff Working Document ‘*Statistical evaluation of irregularities reported for 2014 Own Resources, Natural Resources, Cohesion Policy, Pre-accession and Direct expenditure*’, chapter 5, pages 48-49.

<sup>4</sup> When inputting a case, the contributor is requested to specify the currency in which the amounts are expressed. Where the value of this field is 'EUR' or the field has been left blank, no transformation is applied. Where this field has been filled with another currency, the financial amounts involved in the irregularity are transformed on the basis of the exchange rates published by the ECB at the beginning of 2018.

afterwards, when routine controls are less intense. In general, it should be kept in mind that increases in the number of reported irregularities can be influenced by detection capacity building by the Member State.

- 2) A minor, yet still striking increase in reporting was observed in relation to the previous PP 2000-06. The number of irregularities almost doubled from 2014 to 2015. In this respect, the explanation is belated reporting by another Member State (Ireland).

Table CP2 offers an overview by PP and fund of the financial amounts involved in irregularities detected and reported to the European Commission over the last five years. While the number of reported irregularities peaked in 2015 and gradually, but significantly decreased in the following years, the involved financial amounts were stable in 2016, before declining at a slower pace. This trend implied a raise of the average financial amounts, both in 2016 (+17%) and 2017 (+40.5%).

This was mainly due to:

- the high amounts involved in the irregularities affecting the Cohesion Fund, which finances infrastructure projects of very high value and in relation to which, sometimes, individual cases of irregularities involving very high amounts can be detected. The financial amounts related to PP 2007-2013 significantly increased in 2016 (+36%) while the financial amounts in 2017 were pushed further by irregularities related to PP 2014-2020;
- the steep upward trend in the average amount of the irregularities pertaining to the ERDF in the programming period 2007-2013 (+16% in 2016 and +53% in 2017) which represent the large majority of all irregularities. Furthermore, in 2017 irregularities related to PP 2014-2020 started to be significantly reported.

Table CP1: Number of irregularities reported between 2013 and 2017 by programming period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	N	N	N	N	N	
<b>Programming Period 2014-20</b>	0	0	2	119	449	570
Cohesion fund	0	0	0	2	41	43
ERDF	0	0	1	16	200	217
ESF	0	0	1	99	205	305
EMFF	0	0	0	2	3	5
<b>Programming Period 2007-13</b>	4,492	4,762	10,117	8,529	5,013	32,913
Cohesion fund	240	280	464	439	426	1,849
ERDF	2,869	3,055	8,009	6,412	3,612	23,957
ESF	1,239	1,339	1,453	1,411	782	6,224
EFF	144	88	191	267	193	883
<b>Programming Period 2000-06</b>	517	330	601	61	12	1,521
Cohesion fund	94	33	6	2	1	136
ERDF	334	196	568	49	5	1,152
ESF	43	60	19	4	4	130
EAGGF - Guidance	44	41	7	6	2	100
FIFG	2	0	1	0	0	3
<b>Programming Period 1994-1999</b>	1	3	1	1	0	6
Cohesion fund	1	0	0	0	0	1
ERDF	0	1	1	1	0	3
EAGGF - Guidance	0	2	0	0	0	2
<b>TOTAL</b>	<b>5,010</b>	<b>5,095</b>	<b>10,721</b>	<b>8,710</b>	<b>5,474</b>	<b>35,010</b>

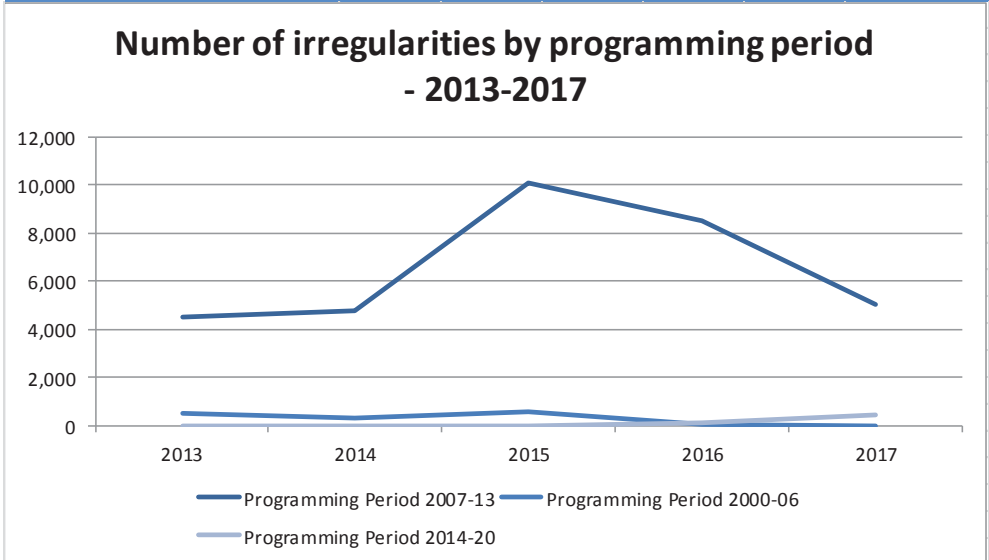
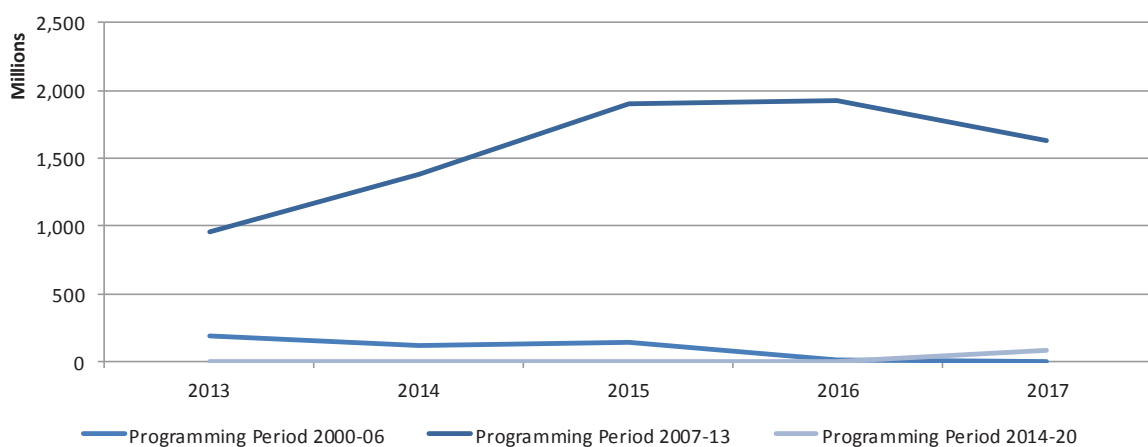


Table CP2: Financial amounts related to irregularities reported between 2013 and 2017 by programme period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Programming Period 2014-20</b>	<b>0</b>	<b>0</b>	<b>166,544</b>	<b>5,270,099</b>	<b>87,801,268</b>	<b>93,237,911</b>
Cohesion fund	0	0	0	671,052	40,872,003	41,543,055
ERDF	0	0	15,872	3,242,298	40,043,647	43,301,817
ESF	0	0	150,672	1,188,821	6,607,735	7,947,228
EMFF	0	0	0	167,928	277,883	445,811
<b>Programming Period 2007-13</b>	<b>954,324,078</b>	<b>1,382,789,100</b>	<b>1,905,504,731</b>	<b>1,925,288,616</b>	<b>1,624,412,133</b>	<b>7,792,318,658</b>
Cohesion fund	137,588,929	223,801,204	288,512,397	393,527,226	335,118,663	1,378,548,419
ERDF	697,278,512	1,045,019,246	1,460,840,666	1,357,588,519	1,170,202,861	5,730,929,804
ESF	98,038,632	105,866,568	130,910,677	144,345,197	95,829,661	574,990,735
EFF	21,418,005	8,102,082	25,240,991	29,827,674	23,260,948	107,849,700
<b>Programming Period 2000-06</b>	<b>187,478,529</b>	<b>123,654,219</b>	<b>136,473,886</b>	<b>12,438,335</b>	<b>4,038,015</b>	<b>464,082,984</b>
Cohesion fund	39,773,680	13,871,745	1,332,039	3,412,302	1,915,597	60,305,363
ERDF	130,502,430	96,859,496	85,155,687	5,252,772	827,746	318,598,131
ESF	13,736,583	7,642,494	48,459,535	137,061	1,228,806	71,204,479
EAGGF - Guidance	3,112,155	5,280,484	669,253	3,636,200	65,866	12,763,958
FIFG	353,681	0	857,372	0	0	1,211,053
<b>Programming Period 1994-1999</b>	<b>2,095,397</b>	<b>229,661</b>	<b>474,024</b>	<b>6,430</b>	<b>0</b>	<b>2,805,512</b>
Cohesion fund	2,095,397	0	0	0	0	2,095,397
ERDF	0	12,110	474,024	6,430	0	492,564
EAGGF - Guidance	0	217,551	0	0	0	217,551
<b>TOTAL</b>	<b>1,143,898,004</b>	<b>1,506,672,980</b>	<b>2,042,619,185</b>	<b>1,943,003,480</b>	<b>1,716,251,416</b>	<b>8,352,445,065</b>

Financial amounts involved in irregularities by programming period - 2013-17



The trend of the financial amounts must be assessed while bearing in mind that it can be strongly influenced by single observations of significant value. During 2013-2017, cases which involved over EUR 5 million represented less than 1% in terms of numbers, but 38% in terms of amounts.<sup>5</sup> 71% of these cases concerned the ERDF, while 22% concerned the Cohesion Fund. The average financial amount of cases related to the Cohesion fund was 33% higher than that of ERDF cases. In such a context, where such a significant portion of the financial amounts is linked to a relatively low number of cases, fluctuations are more likely and should not be misinterpreted.

<sup>5</sup> Furthermore, it can be noticed that there were just 28 cases over EUR 20 million accounting for 16% of the financial amounts.

While focusing on PP 2007-2013, section 4.3 will deal with the reasons why controls that led to discover irregularities were performed. That analysis will bring to a number of findings about the frequency and potential of information from media, EU bodies, tips and risk analysis. Here a different perspective is taken. Reference is made to the irregularities reported during the period 2013-2017, including all programming periods. Within this context, when focusing on the '*over 5 mln*' cases, it can be noticed that these reasons for performing the control were more present than in the overall set of cases, in particular with regard to information from EU bodies.<sup>6</sup> Even if this is based on a relatively low number of cases, this corroborates the hypothesis that these targeted controls based on information from media, EU bodies, tips or risk analysis have the potential to lead to better results.

#### *4.1.1. Irregularities reported as fraudulent*

##### *4.1.1.1. Trend by programming period*

Table CP3 provides an overview by PP and fund of the irregularities reported as fraudulent in the last five years (2013-2017).

Irregularities reported as fraudulent in 2017 have increased by 10% since 2013, while they have decreased by 18% in comparison with the 2015 peak.

During the last five years, while the fraudulent irregularities linked to the PP 2000-06 have been decreasing to reach nearly 0 in 2017, those linked to the PP 2007-13 have peaked in 2015 and gradually decreased in the following years. These trends are linked to the implementation cycle of PP 2007-2013 and the closure of PP 2000-2006. Apart from very few cases in 2015 and 2016, reporting related to PP 2014-2020 started in 2017 (more than 10% of all cases reported in 2017 as fraudulent)

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<sup>6</sup> (1) 'Information/request from or irregularity detected by EU body' is reported in 13% of the '*over 5 mln*' cases, against 1.6% of all cases; (2) 'Information published by the media': 2.6% in the '*over 5 mln*' subset, against 0.4% in the all set; (3) 'Tip from informant, whistle-blower, etc.': 3.5% in the '*over 5 mln*' subset, against 1.3% in the all set; (4) 'Risk analysis': 2.2% in the '*over 5 mln*' subset, against 0.8% in the all set. With reference to the financial amounts, similar differences were not noticed, with the exception of 'Information/request from or irregularity detected by EU body': 13.1% in the '*over 5 mln*' subset, against 7.3% in the all set. Only cases where the amount of the reported irregularity is greater than zero have been considered.



Table CP3: Number of irregularities reported as fraudulent between 2013 and 2017 by programming period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	N	N	N	N	N	N
<b>Programming Period 2014-20</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>37</b>	<b>40</b>
Cohesion fund	0	0	0	0	2	2
ERDF	0	0	0	0	12	12
ESF	0	0	1	2	23	26
<b>Programming Period 2007-13</b>	<b>247</b>	<b>225</b>	<b>411</b>	<b>375</b>	<b>305</b>	<b>1,563</b>
Cohesion fund	9	6	11	10	18	54
ERDF	146	130	266	266	228	1,036
ESF	71	81	118	89	50	409
EFF	21	8	16	10	9	64
<b>Programming Period 2000-06</b>	<b>68</b>	<b>44</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>129</b>
Cohesion fund	1	0	0	0	0	1
ERDF	27	8	2	2	0	39
ESF	27	29	7	0	3	66
EAGGF - Guidance	13	7	1	2	0	23
<b>Programming Period 1994-99</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
EAGGF - Guidance	0	1	0	0	0	1
<b>TOTAL</b>	<b>315</b>	<b>270</b>	<b>422</b>	<b>381</b>	<b>345</b>	<b>1,733</b>

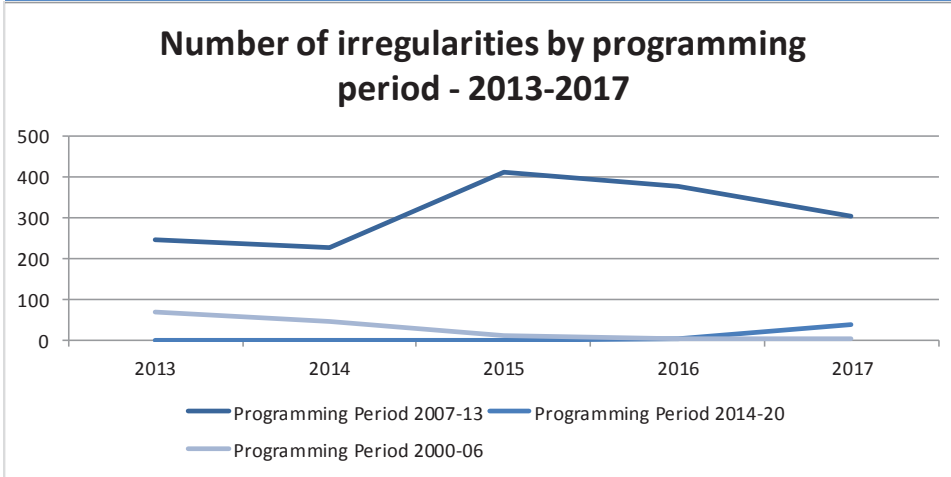
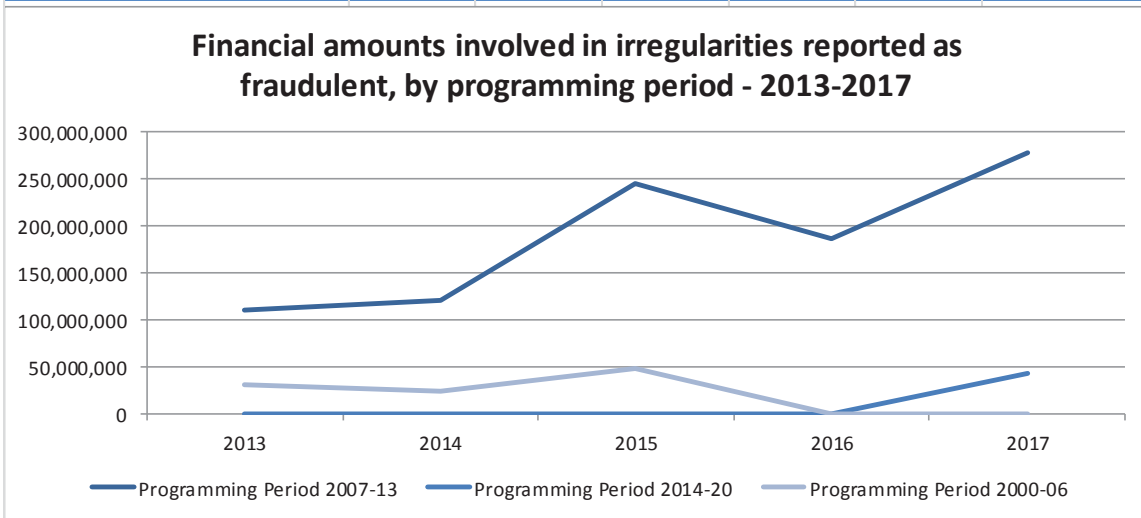


Table CP4 provides an overview by PP and Fund of the financial amounts involved in cases reported as fraudulent. As already indicated on several occasions, the trend of the financial amounts is more subject to fluctuations due to the possibility of individual cases involving high amounts. While the number of irregularities peaked in 2015, the involved financial amounts resumed strong growth in 2017. This was mainly due to irregularities pertaining the programming period 2007-2013, with noticeable increases for the Cohesion fund (+349%) and the ERDF (+34%), and the programming period 2014-2020, where significant reporting started for the Cohesion Fund. These increases were mainly due to higher financial amounts reported by Slovakia (Cohesion Fund and ERDF), Romania (ERDF) and Portugal (ERDF).

Table CP4: Financial amounts related to the irregularities reported as fraudulent between 2013-2017 by programming period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Programming Period 2014-20</b>	<b>0</b>	<b>0</b>	<b>150,672</b>	<b>382,136</b>	<b>42,861,231</b>	<b>43,394,040</b>
Cohesion fund	0	0	0	0	32,498,103	32,498,103
ERDF	0	0	0	0	6,449,648	6,449,648
ESF	0	0	150,672	382,136	3,913,480	4,446,289
<b>Programming Period 2007-13</b>	<b>110,314,886</b>	<b>120,607,350</b>	<b>245,240,069</b>	<b>186,681,371</b>	<b>277,231,058</b>	<b>940,074,733</b>
Cohesion fund	14,034,097	38,962,780	18,116,437	12,371,444	55,542,576	139,027,333
ERDF	72,203,511	70,039,293	186,340,806	153,217,970	205,991,576	687,793,156
ESF	15,224,970	9,831,286	36,243,315	20,282,682	11,522,982	93,105,236
EFF	8,852,308	1,773,991	4,539,511	809,275	4,173,924	20,149,008
<b>Programming Period 2000-06</b>	<b>30,992,885</b>	<b>23,356,284</b>	<b>48,102,445</b>	<b>752,576</b>	<b>298,536</b>	<b>103,502,725</b>
Cohesion fund	5,063,005	0	0	0	0	5,063,005
ERDF	12,870,947	18,439,407	61,297	224,147	0	31,595,797
ESF	11,011,548	4,461,373	47,822,953	0	298,536	63,594,410
EAGGF - Guidance	2,047,385	455,504	218,195	528,429	0	3,249,513
<b>Programming Period 1994-99</b>	<b>0</b>	<b>145,855</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>145,855</b>
EAGGF - Guidance	0	145,855	0	0	0	145,855
	<b>141,307,771</b>	<b>144,109,489</b>	<b>293,493,186</b>	<b>187,816,083</b>	<b>320,390,825</b>	<b>1,087,117,353</b>



Focusing on PP 2007-2013, the financial amounts involved in irregularities reported as fraudulent for the ERDF were predominant (73% in 2013-2017), also due to the high share of EU financing that is channel through this fund..

#### 4.1.1.2. Trend by Fund

The analysis of the same data presented in Tables CP3 and CP4 but focussed on the distribution of the irregularities reported as fraudulent by Fund (Tables CP5 and CP6), highlights the following situations:

- (1) 2015 witnessed a peak in the number of irregularities: this was the end year of eligibility for Cohesion programmes (PP 2007-2013), when irregularities reported can be expected to increase. The number of irregularities reported by the MS in relation to PP 2007-2013 jumped, both with reference to the ERDF (+105%) and the ESF (+46%). The related financial amounts moved in the same direction (+166% for the ERDF and +268% for the ESF). In 2016, figures concerning the ESF reverted down to previous levels.
- (2) 2017 showed an increase in financial amounts despite a decrease in the number of irregularities. This was the year of closure of Cohesion programmes, when the number of irregularities can be expected to decrease, while the amounts involved are not strictly correlated to the number of irregularities. This increase was due to a growth in the

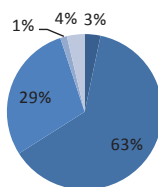
financial amounts involved in CF irregularities (+611%) and, to a lesser extent, in ERDF irregularities (+38%);

- (3) The highest number of cases and absolute financial amounts (not relative to payments) relate to the ERDF. The number of cases increased significantly from 2013 to 2017, due to an upward shift in 2015, followed by stable reporting in 2016 and a slight decline in 2017. The financial amounts increased until 2017 (with the exception of 2016). The average financial amount significantly increased in 2017 (+55%);
- (4) Potential frauds affecting the Cohesion fund are now reported regularly (since 2010), and from 2016 to 2017 doubled, in terms of number, and became seven times higher, in terms of financial amounts. Fluctuations of the amounts, however, can be particularly significant in respect of these cases, because of fewer cases and high amounts involved in the projects financed by the Cohesion Fund.
- (5) Both in terms of numbers and, even more, of financial amounts, cases related to the ESF peaked in 2015 and their share on the total during 2013-2017 exceeded 15%, in terms of financial amounts (similar to CF);

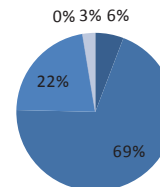
Table CP5: Number of irregularities reported as fraudulent between 2013-2017 by Fund - Cohesion and Fisheries Policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2013 EUR	2014 EUR	2015 EUR	2016 EUR	2017 EUR	
Cohesion fund	10	6	11	10	20	57
ERDF	173	138	268	268	240	1,087
ESF	98	110	126	91	76	501
EAGGF - Guidance	13	8	1	2	0	24
EFF	21	8	16	10	9	64
<b>TOTAL</b>	<b>315</b>	<b>270</b>	<b>422</b>	<b>381</b>	<b>345</b>	<b>1,733</b>

Irregularities reported as fraudulent 2013-2017 by fund



Irregularities reported as fraudulent in 2017 by fund



Irregularities reported as fraudulent 2013-2017 by fund

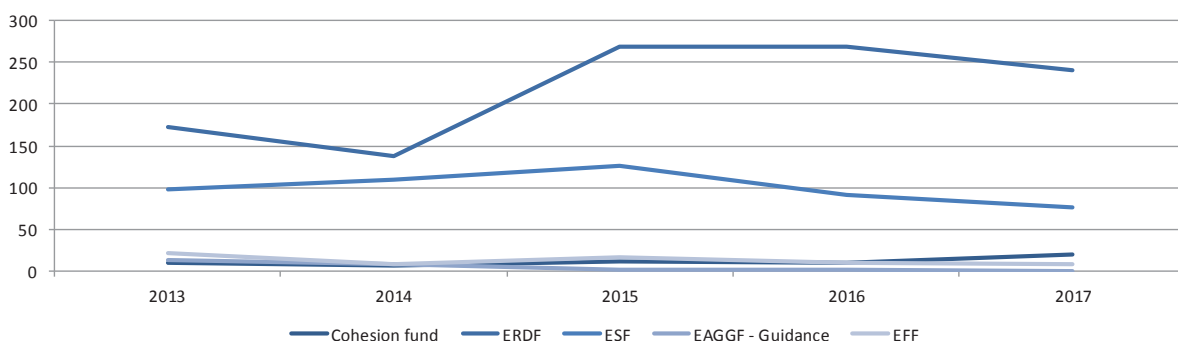
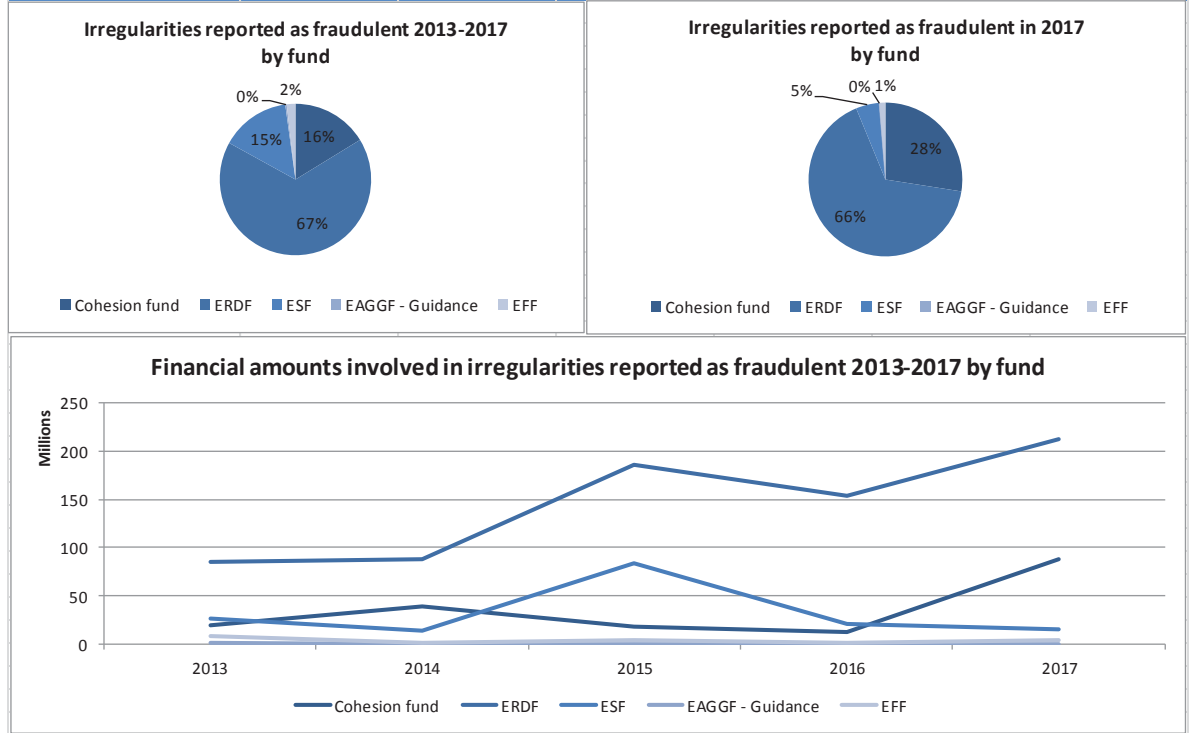


Table CP6: Financial amounts related to irregularities reported as fraudulent between 2013-2017 by Fund - Cohesion and Fisheries Policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2013 EUR	2014 EUR	2015 EUR	2016 EUR	2017 EUR	EUR
Cohesion fund	19,097,102	38,962,780	18,116,437	12,371,444	88,040,679	176,588,442
ERDF	85,074,458	88,478,699	186,402,102	153,442,117	212,441,224	725,838,600
ESF	26,236,518	14,292,659	84,216,941	20,664,818	15,734,998	161,145,934
EAGGF - Guidance	2,047,385	601,358	218,195	528,429	0	3,395,367
EFF	8,852,308	1,773,991	4,539,511	809,275	4,173,924	20,149,009
<b>TOTAL</b>	<b>141,307,771</b>	<b>144,109,487</b>	<b>293,493,186</b>	<b>187,816,083</b>	<b>320,390,825</b>	<b>1,087,117,352</b>



#### 4.1.2. Irregularities not reported as fraudulent

Table CP7 provides an overview by PP and fund of the irregularities not reported as fraudulent in the last five years (2013-2017).

The reasons behind the high increase in 2015 have already been explained under section 4.1.

After 2015, the decrease in the number of irregularities was fast for the ERDF (as from 2016) and the ESF (as from 2017) and more gradual for the CF.<sup>7</sup> The financial amounts followed a different pattern and increased further in 2016, before falling in 2017, but not as much as the number of irregularities.

The average financial amounts for PP 2007-2013 have been increasing since 2016: CF (+49% in 2016), ERDF (+19% in 2016, +45% in 2017), ESF (+32% in 2016, +23% in 2017). For PP 2000-2006, the financial amounts reported in relation to the ERDF dropped in 2016. In general, irregularities for this PP are fading towards zero. Considering the fact that irregularities reported as fraudulent usually imply higher financial amounts, one may suppose that some of the cases notified as non-fraudulent might be reclassified later as potentially fraudulent.

<sup>7</sup> CF spending takes longer to implement, typically involving large infrastructure and environmental projects. Spending stretches until the very end of the eligibility period (i.e. 2015). Controls continue during the spending years. Spending under ERDF reached the 95% ceiling earlier for some MS, who stopped declaring expenditure until closure. This may have an impact on the timing of detection of the irregularities.

In 2016, the reporting of irregularities referring to PP 2014-2020 started and increased in 2017, as implementation is progressing. Number and financial amounts are still low, but they can be expected to grow during next years, in line with the implementation cycle. Anti-fraud capacity building by Member States and new anti-fraud provisions may contribute to this increase. The average financial amounts are still lower than for PP 2007-2013 but, in this comparison with previous PP, the ESF sticks out, with very low averages of about EUR 8,300 and 14,800 in 2016 and 2017, respectively.<sup>8</sup>

Table CP7: Number of irregularities not reported as fraudulent between 2013 and 2017 by programming period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	N	N	N	N	N	
<b>Programming Period 2014-20</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>117</b>	<b>412</b>	<b>530</b>
Cohesion fund	0	0	0	2	39	41
ERDF	0	0	1	16	188	205
ESF	0	0	0	97	182	279
EMFF	0	0	0	2	3	5
<b>Programming Period 2007-13</b>	<b>4,245</b>	<b>4,537</b>	<b>9,706</b>	<b>8,154</b>	<b>4,708</b>	<b>31,350</b>
Cohesion fund	231	274	453	429	408	1,795
ERDF	2,723	2,925	7,743	6,146	3,384	22,921
ESF	1,168	1,258	1,335	1,322	732	5,815
EFF	123	80	175	257	184	819
<b>Programming Period 2000-06</b>	<b>449</b>	<b>286</b>	<b>591</b>	<b>57</b>	<b>9</b>	<b>1,392</b>
Cohesion fund	93	33	6	2	1	135
ERDF	307	188	566	47	5	1,113
ESF	16	31	12	4	1	64
EAGGF - Guidance	31	34	6	4	2	77
FIFG	2	0	1	0	0	3
<b>Programming Period 1994-1999</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>5</b>
Cohesion fund	1	0	0	0	0	1
ERDF	0	1	1	1	0	3
EAGGF - Guidance	0	1	0	0	0	1
<b>TOTAL</b>	<b>4,695</b>	<b>4,825</b>	<b>10,299</b>	<b>8,329</b>	<b>5,129</b>	<b>33,277</b>

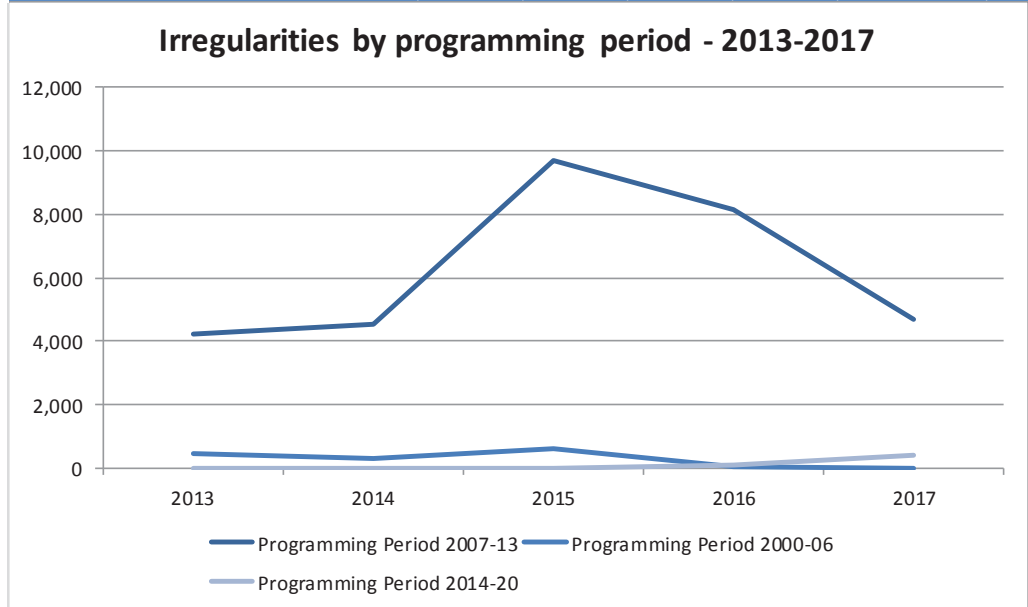


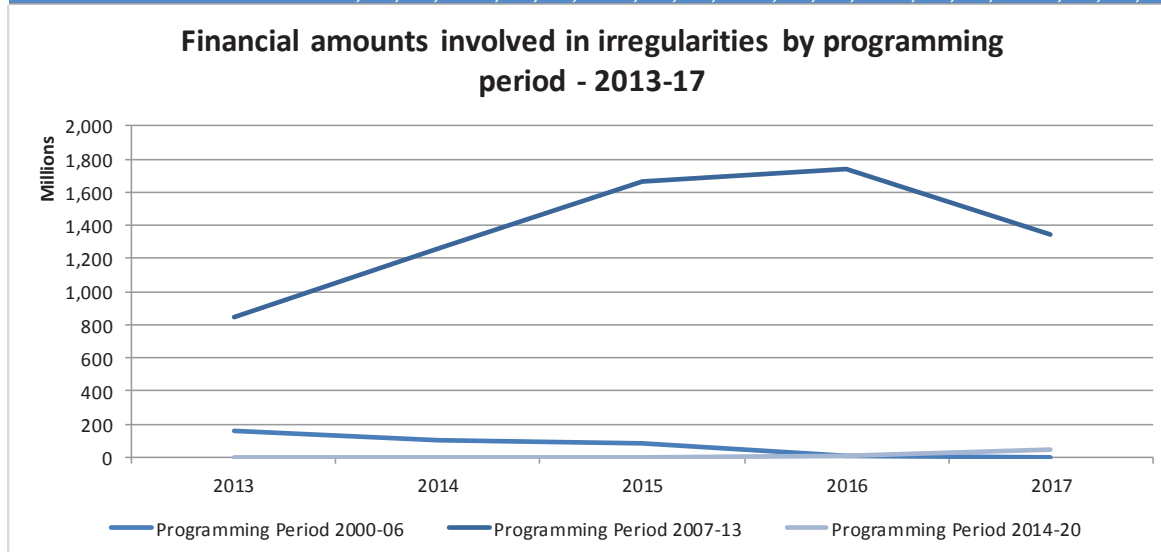
Table CP8 shows the financial amounts involved in the irregularities not reported as fraudulent. Once more, as already mentioned several times in relation to the financial

<sup>8</sup> This appears to be mainly due to cases by the UK, which is reporting amounts implausibly low, probably due to a problem when inputting data into the Irregularity Management System (IMS).

amounts, fluctuations can happen more often, as they can be linked to individual irregularities or groups of irregularities of significant value, which produce distortive effects from one year to the next.

Table CP8: Financial amounts related to irregularities not reported as fraudulent between 2013 and 2017 by programme period - Cohesion and Fisheries Policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2013	2014	2015	2016	2017	
	EUR	EUR	EUR	EUR	EUR	
<b>Programming Period 2014-20</b>	<b>0</b>	<b>0</b>	<b>15,872</b>	<b>4,887,963</b>	<b>44,940,037</b>	<b>49,843,872</b>
Cohesion fund	0	0	0	671,052	8,373,900	9,044,952
ERDF	0	0	15,872	3,242,298	33,594,000	36,852,170
ESF	0	0	0	806,685	2,694,254	3,500,939
EMFF	0	0	0	167,928	277,883	445,811
<b>Programming Period 2007-13</b>	<b>844,009,191</b>	<b>1,262,181,750</b>	<b>1,660,264,663</b>	<b>1,738,607,244</b>	<b>1,347,181,076</b>	<b>6,852,243,924</b>
Cohesion fund	123,554,832	184,838,424	270,395,961	381,155,782	279,576,088	1,239,521,087
ERDF	625,075,001	974,979,953	1,274,499,860	1,204,370,548	964,211,285	5,043,136,647
ESF	82,813,661	96,035,282	94,667,362	124,062,515	84,306,679	481,885,499
EFF	12,565,697	6,328,091	20,701,480	29,018,399	19,087,024	87,700,691
<b>Programming Period 2000-06</b>	<b>156,485,642</b>	<b>100,297,938</b>	<b>88,371,441</b>	<b>11,685,760</b>	<b>3,739,479</b>	<b>360,580,260</b>
Cohesion fund	34,710,675	13,871,745	1,332,039	3,412,302	1,915,597	55,242,358
ERDF	117,631,482	78,420,090	85,094,391	5,028,626	827,746	287,002,335
ESF	2,725,034	3,181,122	636,582	137,061	930,270	7,610,069
EAGGF - Guidance	1,064,770	4,824,981	451,057	3,107,771	65,866	9,514,445
FIFG	353,681	0	857,372	0	0	1,211,053
<b>Programming Period 1994-1999</b>	<b>2,095,397</b>	<b>83,806</b>	<b>474,024</b>	<b>6,430</b>	<b>0</b>	<b>2,659,657</b>
Cohesion fund	2,095,397	0	0	0	0	2,095,397
ERDF	0	12,110	474,024	6,430	0	492,564
EAGGF - Guidance	0	71,696	0	0	0	71,696
<b>TOTAL</b>	<b>1,002,590,230</b>	<b>1,362,563,494</b>	<b>1,749,126,000</b>	<b>1,755,187,397</b>	<b>1,395,860,592</b>	<b>7,265,327,713</b>



#### 4.1.3. Irregularities reported in relation to the Programming Period 2014-2020

Table CP9 provides an overview of all the irregularities and related financial amounts that have been reported up to 2017 with reference to PP 2014-2020.

Apart from a few cases in 2015, reporting of these irregularities started in 2016 and increased in 2017. This is consistent with the implementation cycle of the ongoing programming period. There is not enough data yet to present a meaningful analysis focusing on PP 2014-2020.

Table CP9: Number of irregularities and financial amounts involved - programming period 2014-2020 - Cohesion and Fisheries Policies

FUND	REPORTING YEAR						TOTAL	
	2015		2016		2017		N	EUR
	N	EUR	N	EUR	N	EUR		
Cohesion fund	0	0	2	671,052	41	40,872,003	43	41,543,055
EMFF	0	0	2	167,928	3	277,883	5	445,811
ERDF	1	15,872	16	3,242,298	200	40,043,647	217	43,301,818
ESF	1	150,672	99	1,188,821	205	6,607,735	305	7,947,228
<b>TOTAL</b>	<b>2</b>	<b>166,545</b>	<b>119</b>	<b>5,270,099</b>	<b>449</b>	<b>87,801,269</b>	<b>570</b>	<b>93,237,912</b>

#### 4.2. Specific Analysis – Irregularities reported in relation to the Programming Period 2007-13

This section of the analysis focuses on the irregularities reported in relation to the PP 2007-13. The closure for the programming period started in March 2017<sup>9</sup>; it therefore offers an ideal opportunity to present an overview of what has happened. Consequently, the analysis will cover a greater time span than the previous section (2013 to 2017), to examine all information available, which dates back to 2008.

It will cover the following aspects:

- Objectives;
- Priorities and themes affected;
- Types of irregularity

##### 4.2.1. Objectives concerned by the reported irregularities

The reported irregularities followed the pattern that could be expected in relation to the implementation cycle (Table CP10). The majority of the irregularities were notified over the last three years of the reference period and mainly concerned the Convergence objective (60% of the total), in line with the fact that this is the objective to which the greatest financial resources are allocated and in relation to which higher risks are associated. The anomaly concerning the year 2015 has already been explained. For 187 irregularities, the objective was not mentioned by the Member States.

<sup>9</sup> The deadline for the presentation of the documents for closure was 31 March 2017.

Table CP10: Number of irregularities reported in relation to the programming period 2007-13 by objective - Cohesion and Fisheries Policies

Objective	REPORTING YEAR										TOTAL
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
	N	N	N	N	N	N	N	N	N	N	
Convergence	7	124	714	1,504	2,149	2,708	2,943	5,247	4,933	3,375	23,704
Regional comp. and Empl.	0	9	351	404	495	789	891	3,158	1,828	692	8,617
Territorial cooperation	0	0	14	39	46	79	118	98	155	55	604
Multiobjective	0	30	156	230	504	770	713	1,328	1,303	683	5,717
Fisheries	0	0	6	30	75	144	81	180	266	192	974
blank	0	0	0	3	0	2	16	106	44	16	187
<b>TOTAL</b>	<b>7</b>	<b>163</b>	<b>1,241</b>	<b>2,210</b>	<b>3,269</b>	<b>4,492</b>	<b>4,762</b>	<b>10,117</b>	<b>8,529</b>	<b>5,013</b>	<b>39,803</b>

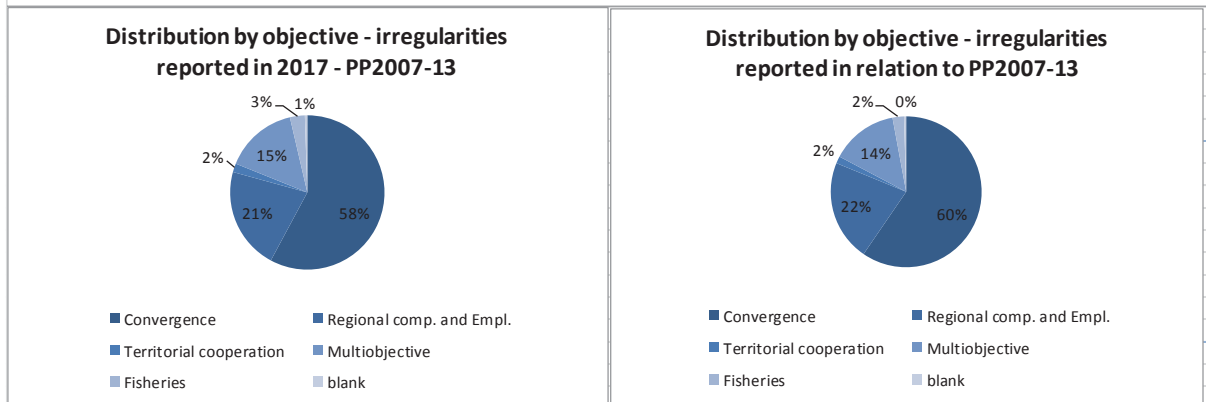
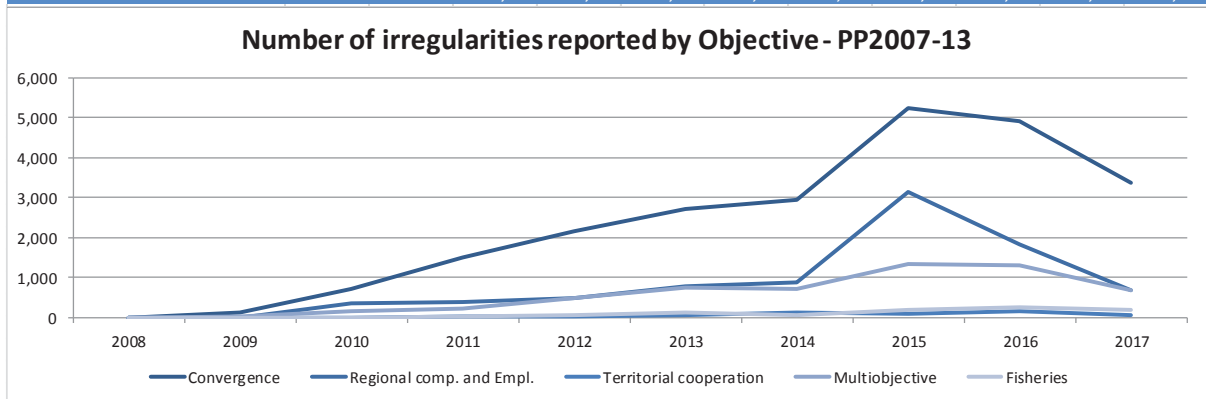


Table CP11 provides information about the financial amounts involved in the reported irregularities. They broadly followed the same pattern of the number of irregularities in Table CP10, with the exception of the amounts linked to the Convergence objective reported in 2012, which exceeded those related to the following two years, and those related to 2016, which are higher than those reported in 2015. In 2016, irregular amounts reported in relation to the Cohesion Fund were exceptionally high, as already showed in Table CP2 and highlighted in section 4.1.

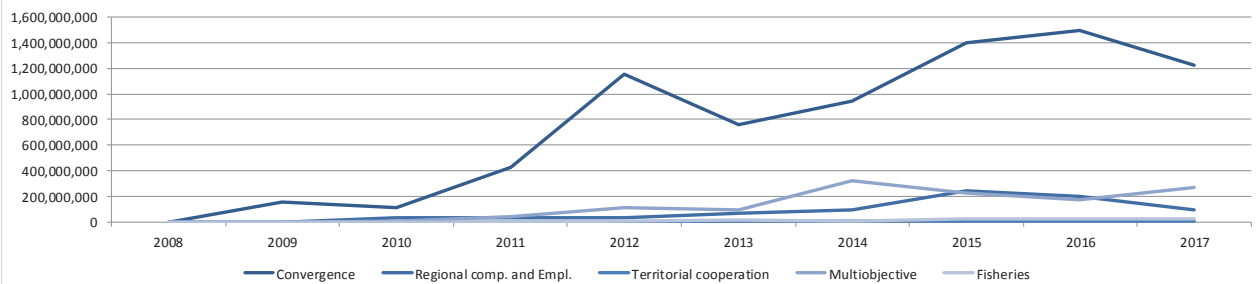
As for the number of irregularities, the majority of financial amounts were notified over the last three years and mainly concerned the Convergence objective (77%).



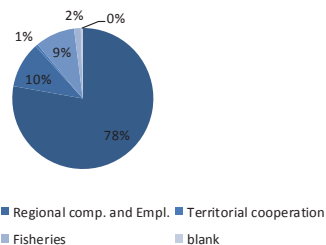
Table CP11: Financial amounts related to the irregularities reported in relation to the programming period 2007-13 by objective - Cohesion and Fisheries Policies

Objective	REPORTING YEAR											TOTAL
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Convergence	71,325	153,448,799	114,528,613	424,241,772	1,150,705,033	762,439,717	941,536,282	1,395,699,447	1,498,107,561	1,224,901,374	7,665,679,923	
Regional comp. and Empl.	0	556,264	34,515,357	37,417,324	34,660,382	67,251,055	100,097,836	244,489,005	202,363,019	95,102,706	816,452,948	
Territorial cooperation	0	0	1,142,832	1,930,949	2,487,433	5,155,265	5,460,246	4,667,046	11,029,487	11,247,495	43,120,753	
Multiobjective	0	2,371,472	11,133,866	39,293,083	113,346,887	97,651,222	327,029,239	227,635,260	175,088,652	268,226,572	1,261,776,253	
Fisheries	0	0	233,816	577,343	6,774,686	21,418,005	7,798,185	24,891,512	29,827,304	23,211,225	114,732,076	
blank	0	0	0	676,946	0	408,814	867,310	8,122,462	8,872,593	1,722,762	20,670,887	
<b>TOTAL</b>	<b>71,325</b>	<b>156,376,535</b>	<b>161,554,484</b>	<b>504,137,417</b>	<b>1,307,974,421</b>	<b>954,324,078</b>	<b>1,382,789,098</b>	<b>1,905,504,732</b>	<b>1,925,288,616</b>	<b>1,624,412,134</b>	<b>9,922,432,840</b>	

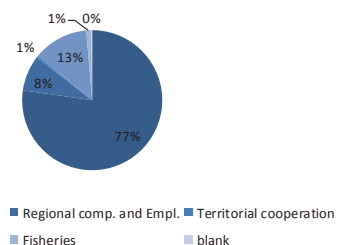
Financial amounts involved in irregularities reported by objective - PP2007-13



Distribution by Objective - amounts involved in irregularities reported in 2017 - PP2007-13



Distribution by objective - amount involved in irregularities reported in relation to PP2007-13



#### 4.2.1.1. Irregularities reported as fraudulent by Objective

Table CP12 and CP13 include only the irregularities reported as fraudulent in relation to PP 2007-13. The trends are similar to those presented in the previous section for all irregularities in relation to PP 2007-2013. A difference that is worth highlighting is the strong increase in the number of irregularities in 2016 in relation to Convergence (while the sum of fraudulent and non fraudulent irregularities decreased) and the exceptional drop in 2016 in relation to 'Regional competitiveness and employment'.

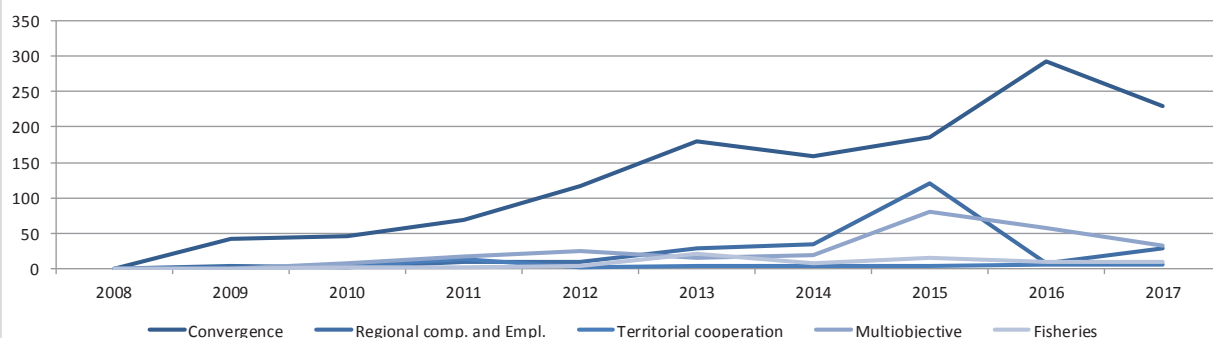
With reference to the financial amounts, fluctuations are emphasized, as high profile cases can have a significant impact.

The higher share represented by the Convergence objective in comparison with that presented in the previous section is also significant (68% of cases and 88% of financial amounts).

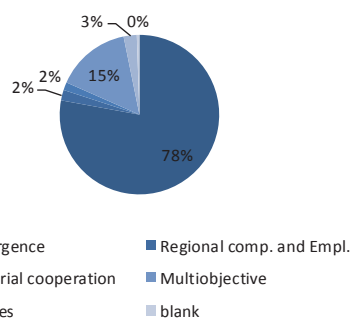
Table CP12: Number of irregularities reported as fraudulent in relation to the programming period 2007-13 by objective - Cohesion and Fisheries Policies

Objective	REPORTING YEAR										TOTAL
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
	N	N	N	N	N	N	N	N	N	N	
Convergence	0	43	45	69	116	179	159	185	292	230	1,318
Regional comp. and Empl.	0	4	1	10	10	28	35	120	8	29	245
Territorial cooperation	0	0	3	13	2	4	3	4	6	5	40
Multiobjective	0	0	7	17	25	15	19	80	57	32	252
Fisheries	0	0	1	1	4	21	8	15	10	9	69
blank	0	0	0	0	0	0	1	7	2	0	10
<b>TOTAL</b>	<b>0</b>	<b>47</b>	<b>57</b>	<b>110</b>	<b>157</b>	<b>247</b>	<b>225</b>	<b>411</b>	<b>375</b>	<b>305</b>	<b>1,934</b>

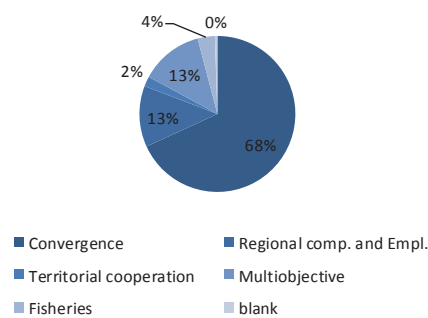
Number of irregularities reported by Objective - PP2007-13



Distribution by objective - irregularities reported in 2017 - PP2007-13



Distribution by objective - irregularities reported in relation to PP2007-13

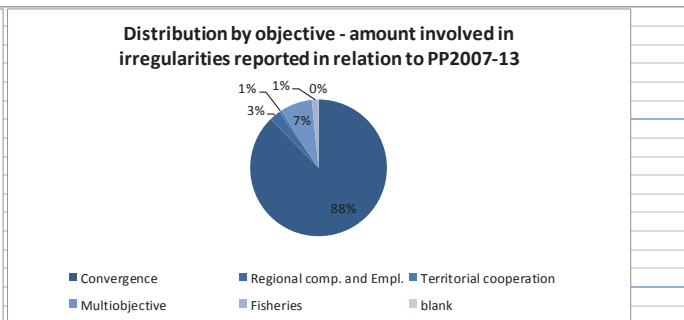
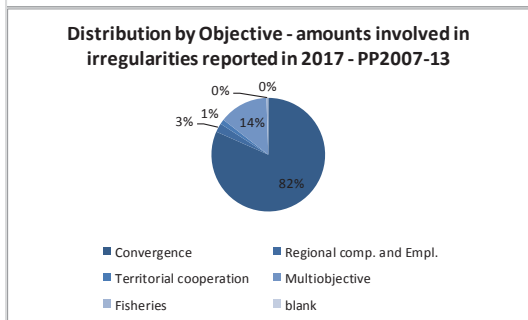
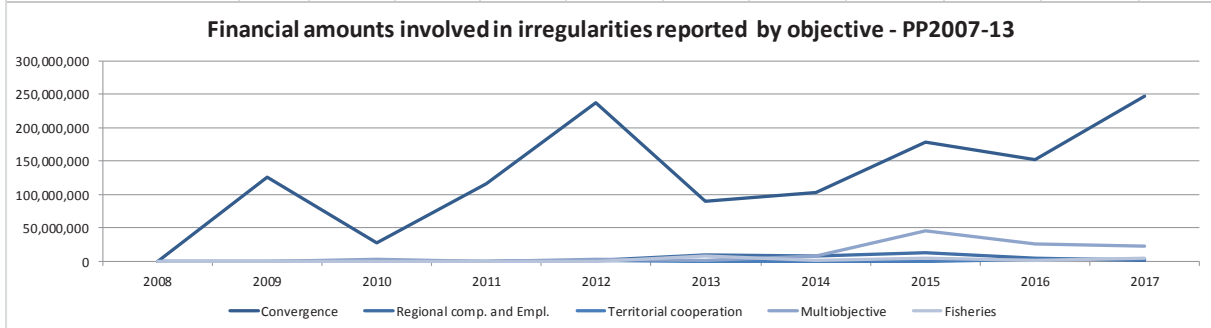


Irregularities reported as fraudulent represented about 4.9% of the total number of irregularities reported for PP 2007-13. The highest percentage (Fraud Frequency Level – FFL<sup>10</sup>) was related to the Fisheries (7.1%), the European Territorial Cooperation (6.6%) and to the Convergence (5.6%) objectives. Regional competitiveness and Employment had the lowest FFL (2.8%).

<sup>10</sup> For details about the calculation of the FFL, see SWD(2016)237final, [http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

Table CP13: Financial amounts related to irregularities reported as fraudulent in relation to the programming period 2007-13 by objective - Cohesion Policy and Fisheries Policies

Objective	REPORTING YEAR										TOTAL	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Convergence	0	126,446,858	28,095,452	116,934,604	238,417,164	89,668,061	103,757,739	178,583,420	152,374,655	246,689,258	1,280,967,211	
Regional comp. and Empl.	0	470,306	15,168	572,814	896,857	9,272,270	7,494,616	13,626,045	4,716,047	1,014,601	38,078,724	
Territorial cooperation	0	0	490,534	166,072	1,173,642	299,272	120,064	552,481	2,563,624	3,219,958	8,585,647	
Multiobjective	0	0	3,103,580	675,802	2,938,482	2,222,975	7,447,513	45,710,077	26,068,508	22,133,317	110,300,254	
Fisheries	0	0	193,916	22,580	542,950	8,852,308	1,773,991	4,519,598	809,275	4,173,924	20,888,542	
blank	0	0	0	0	0	0	13,427	2,248,447	149,264	0	2,411,138	
<b>TOTAL</b>	<b>0</b>	<b>126,917,164</b>	<b>31,898,650</b>	<b>118,371,872</b>	<b>243,969,095</b>	<b>110,314,886</b>	<b>120,607,350</b>	<b>245,240,068</b>	<b>186,681,373</b>	<b>277,231,058</b>	<b>1,461,231,516</b>	



Financial amounts involved in irregularities reported as fraudulent represented about 14.7% of the total reported for PP 2007-13. The highest share (Fraud Amount Level – FAL<sup>11</sup>) was related to the European Territorial Cooperation (19.9%), the Fisheries (18.2%) and the Convergence (16.7%) objectives. Regional competitiveness and Employment had the lowest FAL (4.7%).

The difference between FFL and FAL indicates the higher financial impact of fraudulent irregularities compared to the non-fraudulent infringements. As a matter of fact, the average financial value involved in irregularities reported as fraudulent is more than three times higher than that related to the non-fraudulent types.

#### 4.2.1.2. Fraud and Irregularity Detection Rates by Objective

Table CP14 shows the FDR and the IDR per objective.

Table CP14: FDR and IDR by Objective

Objective	Irregularities detected and reported PP 2007-2013 / Expenditure PP 2007-13 (1)		
	% FDR	% IDR	% Total
Convergence (1)	0.5	2.6	3.1
Regional comp. and Empl. (1)	0.1	1.7	1.8
Territorial cooperation (1)	0.1	0.4	0.5
Multiobjective (1)	0.2	2.6	2.8
Fisheries (2)	0.6	2.6	3.1
<b>Total</b>	<b>0.4</b>	<b>2.4</b>	<b>2.8</b>

(1) Calculations based on the decided amounts

(2) Calculations based on payments made

<sup>11</sup> For details about the calculation of the FAL, see SWD(2016)237final [http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

Looking at the overall detection rate (FDR+IDR), Regional competitiveness and employment programmes show a relatively low level of detection. European Territorial Cooperation programmes, however, show an anomalously low level of detection (about four times lower than the previous objective), especially if one considers that the previous two indicators (FFL and FAL) were high. The situation is different for Convergence, Fisheries and Multiobjective programmes, where the detection rate approaches or is higher than 3%.

#### 4.2.2. *Priorities concerned by the reported irregularities*

##### 4.2.2.1. *Irregularities reported as fraudulent (fisheries not included)*

The operational programmes financed by the Cohesion Policy are implemented in relation to the already mentioned objectives, but also along identified Priorities and Themes.

The information provided by the Member States allows for an analysis of the priority areas in relation to which projects potentially affected by fraudulent practices have been identified.

Table CP15 shows the number of irregularities reported as fraudulent by priority area since the beginning of the PP 2007-13, their related financial amounts, the average amount per irregularity, FFL, FAL and FDR.

In terms of numbers, the 'Priorities' most concerned were '*Research and Technological Development (RTD)*', '*Increasing the adaptability of workers and firms, enterprises and entrepreneurs*' and '*Improving access to employment and sustainability*'.

Irregularities reported as fraudulent in relation to these three priorities represent about 37% of the total.

FFL is highest for '*Tourism*' (11.7%) and '*Strengthening institutional capacity*' (9.7%), while the top four priorities (in terms of FFL) in the Table are all above or equal to 9%, which is double the average.

From the financial amounts point of view, the most significant results concern '*Transport*', '*RTD*' and '*Urban and rural regeneration*'. '*Transport*' retains by far the highest average value, more than ten times R&TD and the overall average. Financial amounts related to the irregularities reported as fraudulent in relation to these three priorities represent 49% of the total.

FAL is highest for '*Urban and rural regeneration*' (40%), '*Tourism*' (33%), '*Investment in social infrastructure*' (24%), and '*Increasing the adaptability of workers, firms, enterprises*' (20%).<sup>12</sup> The priorities '*Tourism*' and '*Urban and rural regeneration*' stand out in terms of FDR.

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<sup>12</sup> As a matter of fact, 'Technical Assistance – fishery' would be second with 29.3%. As this priority seems linked to another fund (EFF) than those taken into consideration here, it may result from errors in reporting.

Table CP 15: PP2007-13 - Irregularities reported as fraudulent by Priority

Priority	Irregularities reported as fraudulent					
	Total	Amounts involved	Average amount	FFL	FAL	FDR (1)
	N	EUR	EUR	%	%	%
Research and technological development (R&TD), innovation and entrepreneurship	398	296,396,254	744,714	8.0%	16.8%	0.44
Improving access to employment and sustainability	138	14,554,174	105,465	9.0%	10.0%	0.06
Increasing the adaptability of workers and firms, enterprises	154	30,226,795	196,278	9.6%	20.2%	0.25
Investment in social infrastructure	118	68,916,970	584,042	6.7%	23.9%	0.49
Tourism	121	61,755,963	510,380	11.7%	32.8%	1.08
Improving human capital	84	11,487,069	136,751	5.3%	12.2%	0.04
Environment protection and risk prevention	70	81,417,376	1,163,105	2.8%	13.1%	0.17
Urban and rural regeneration	80	93,217,060	1,165,213	6.4%	39.9%	0.93
Improving the social inclusion of less-favoured persons	44	4,676,531	106,285	6.4%	13.0%	0.05
Transport	41	321,930,625	7,851,966	2.3%	18.7%	0.42
Strengthening institutional capacity at national, regional and	32	3,815,391	119,231	9.7%	11.6%	0.17
Information society	34	54,416,308	1,600,480	2.7%	16.7%	0.39
Energy	28	11,927,526	425,983	5.7%	13.0%	0.10
Technical assistance Fishery	11	11,106,242	1,009,658	5.4%	26.3%	N/A
Culture	4	2,373,804	593,451	1.2%	4.9%	0.04
Technical assistance	2	53,023	26,512	0.6%	0.1%	0.00
Measures of common interest - fishery	4	159,333	39,833	9.5%	0.3%	N/A
(blank)	501	371,892,616	742,301	2.9%	11.8%	N/A
<b>TOTAL</b>	<b>1,864</b>	<b>1,440,323,060</b>	<b>772,706</b>	<b>4.8%</b>	<b>16.0%</b>	<b>0.42</b>
<b>% of (blank) on Total</b>	<b>26.9%</b>	<b>25.8%</b>	<b>below avg</b>			

(1) FDR is calculated as amounts involved in irregularities affecting a specific priority (third column) divided by the amounts decided for the same priority

Irregularities linked to the EFF have not been included. Reference to 'Technical assistance Fisheries' and 'Measures of common interest – fishery' in Table CP15 may depend on errors in encoding by Member States.

For about 27% of the irregularities used for this analysis information was not provided about the priority area concerned, decreasing in comparison with previous years.

#### 4.2.2.2. Irregularities not reported as fraudulent (fisheries not included)

The same analysis showed in the previous section for the irregularities reported as fraudulent is presented here for the irregularities not reported as fraudulent in relation to the PP 2007-13.

Table CP16 provides an overview of the number of irregularities not reported as fraudulent by priority area since the beginning of the PP 2007-13, their related financial amounts and average amount per irregularity and IDR.

Again, 'Research and Technological Development (R&TD)' was the priority with the highest number of occurrences, followed by 'Environmental protection and risk prevention' and 'Transport'. 'Research and Technological Development (R&TD)' was first also in terms of financial amounts, closely followed by 'Transport' and, at a distance, by 'Environmental protection and risk prevention'. Irregularities linked to these three priorities together represent 23.6% of the total number and 45.4% of the total amounts.

The priorities 'Tourism', 'Research and Technological Development (R&TD)', 'Information society' and 'Transport' show a IDR higher than or equal to 2%.

Priority	Irregularities not reported as fraudulent			
	Total	Amounts involved	Average amount	IDR (1)
	N	EUR	EUR	%
Research and technological development (R&TD), innovation and entrepreneurship	4,567	1,677,891,992	367,395	2.48
Improving access to employment and sustainability	1,399	142,638,279	101,957	0.57
Increasing the adaptability of workers and firms, enterprises	1,451	130,498,389	89,937	1.09
Investment in social infrastructure	1,636	262,752,199	160,606	1.87
Tourism	911	150,454,795	165,153	2.64
Improving human capital	1,487	92,331,888	62,093	0.35
Environment protection and risk prevention	2,403	588,343,534	244,837	1.24
Urban and rural regeneration	1,179	155,725,325	132,083	1.56
Improving the social inclusion of less-favoured persons	640	36,693,118	57,333	0.36
Transport	1,744	1,529,316,565	876,902	2.00
Strengthening institutional capacity at national, regional and	298	30,605,957	102,705	1.39
Information society	1,215	286,418,548	235,735	2.03
Energy	460	98,074,598	213,206	0.82
Technical assistance Fishery	194	43,747,708	225,504	NA
Culture	335	47,595,145	142,075	0.77
Technical assistance	317	50,917,981	160,625	0.52
Measures of common interest - fishery	38	62,387,245	1,641,770	NA
Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products	3	199,880	66,627	NA
Measures for the adaptation of the Community fishing fleet	1	11,047	11,047	NA
Mobilisation of reforms in the field of employment and inclusion	63	5,226,967	82,968	0.51
Reduction of additional costs hindering the outermost regions	22	2,917,662	132,621	0.43
Sustainable development of fishery areas	3	140,166	46,722	NA
(blank)	16,578	2,971,383,880	179,237	NA
<b>TOTAL</b>	<b>36,944</b>	<b>8,366,272,867</b>	<b>226,458</b>	<b>2.42</b>
<b>% of (blank) on Total</b>	<b>44.9%</b>	<b>35.5%</b>	<b>below avg</b>	

(1) IDR is calculated as amounts involved in irregularities affecting a specific priority (third column) divided by the amounts decided for the same priority

Irregularities linked to the EFF have not been included. Reference to priorities specific to this policy area may depend on errors in encoding by national authorities.

The number of cases not reported as fraudulent for which information about the priority area concerned was missing remains high (45%) and higher than for the fraudulent irregularities, while it is improving.

#### 4.2.2.3. Irregularities related to the priorities 'R&TD' and 'Transport' by theme

##### Research and Technological Development (R&TD)

As mentioned, 'Research and Technological Development (R&TD)' is the priority for which the highest number of irregularities, fraudulent and non-fraudulent, have been detected and reported: in total, 4 965 cases, involving over EUR 2 billion.

Figure CP1 below, details the specific priority themes that were affected by these irregularities. The description of the themes has been shortened to simplify, but the full description can be consulted in Annex 15. Please note that the larger the square, the higher the number of irregularities; the darker the colour, the higher the financial amounts involved.

Two "residual" themes are those showing the highest number of reported irregularities: 'Other investment in firms' and 'Other measures to stimulate research and innovation and

*entrepreneurship in SMEs*'. Together they represented 48% of the reported irregularities, but only 21% of the related financial amounts. Conversely, the themes *'Investment in firms directly linked to research and innovation'* and *'R&TD activities in research centres'* represented only 23.5% of the total number of reported irregularities, but accounted for almost 52% of the total financial amounts involved.

Figure CP2 shows the same level of detail for the irregularities reported as fraudulent.

Similarly to the overall picture, the highest number of irregularities reported as fraudulent affected the theme *'Other investment in firms'*, but it was followed by the theme *'Investment in firms directly linked to research and innovation'*. The latter was also the theme with the largest share of the financial amounts involved in cases reported as fraudulent (40.5%), followed again - but at a distance - by the theme *'R&TD activities in research centres'*. The latter was not frequent, but involved relatively high amounts, similarly to the theme *'Assistance in RTD, in particular SMEs'*. On the contrary, the most frequently affected theme *'Other investment in firms'* involved a low average financial amount.

The two most frequent themes accounted for 53.5% of cases and 53% of financial amounts. The two themes with the highest financial amounts accounted for 28% of cases and 55% of value.

Figure CP1: PP2007-13 - Irregularities (fraudulent and non-fraudulent) reported in relation to the 'R&TD' Priority by theme

Other investment in firms 1,307 277,699,126	Investment in firms directly linked to research and innovation 634 735,484,128	R&TD activities in research centres 535 286,302,370
Other measures to stimulate research and innovation and entrepreneurship in SMEs 1,059 140,262,064	R&TD infrastructure and centres of competence in a specific technology 384 227,406,665	Assistance to R&TD, particularly in SMEs 328 101,174,472
	Advanced support services for firms and groups of firms 383 61,713,859	Technology transfer and improvement of cooperation networks involving SMEs 186 79,566,797
		SMEs for env. 54 13,266,735
		95 51,412,031



Figure CP2: PP2007-13 - Irregularities reported as fraudulent in relation to the 'R&TD' Priority by theme

Other investment in firms 132 36,603,206	Other measures to stimulate research and innovation and entrepreneurship in SMEs 71 18,938,346	R&TD activities in research centres 29 43,904,057
Investment in firms directly linked to research and innovation 81 120,131,220	Assistance to R&TD, particularly in SMEs 23 34,129,440	Advanced support services for firms and groups of firms 14 10,146,099
	Technology transfer and improvement of cooperation networks involving SMEs 16 15,789,456	R&TD infrastructure and centres of competence in a specific technology 15 9,307,417
		SMEs for env. 8 6,387,965

## *Transport*

As mentioned, *'Transport'* was the priority for which the financial amounts involved in irregularities was similar to *'Research and Technological Development (R&TD)'* (over EUR 1.8 billion). However, the average amount was the highest, both for irregularities reported as fraudulent (EUR 7,851,966) and not (EUR 876,902).<sup>13</sup>

Similar to Figure CP1, Figure CP3 below, details the specific priority themes that were affected by these irregularities.

*'Regional/local roads'* was the theme most frequently affected by irregularities (either fraudulent or non fraudulent), accounting alone for 46% of the total number. Nevertheless, the financial amounts involved in these cases were only 11% of the total. On the contrary, the themes *'Motorways (TEN-T)'* and *'Railways'* accounted only for 13% of the irregularities, but 60% of the financial amounts.

Figure CP4 shows the same level of detail for the irregularities reported as fraudulent.

The picture is similar when the focus is moved on the irregularities reported as fraudulent. 46% of these irregularities concern *'Regional/local roads'* involving just 13% of the financial amounts. *'Motorways (TEN-T)'* and *'Railways'* accounted only for 19% of the irregularities reported as fraudulent, but 72% of the financial amounts.

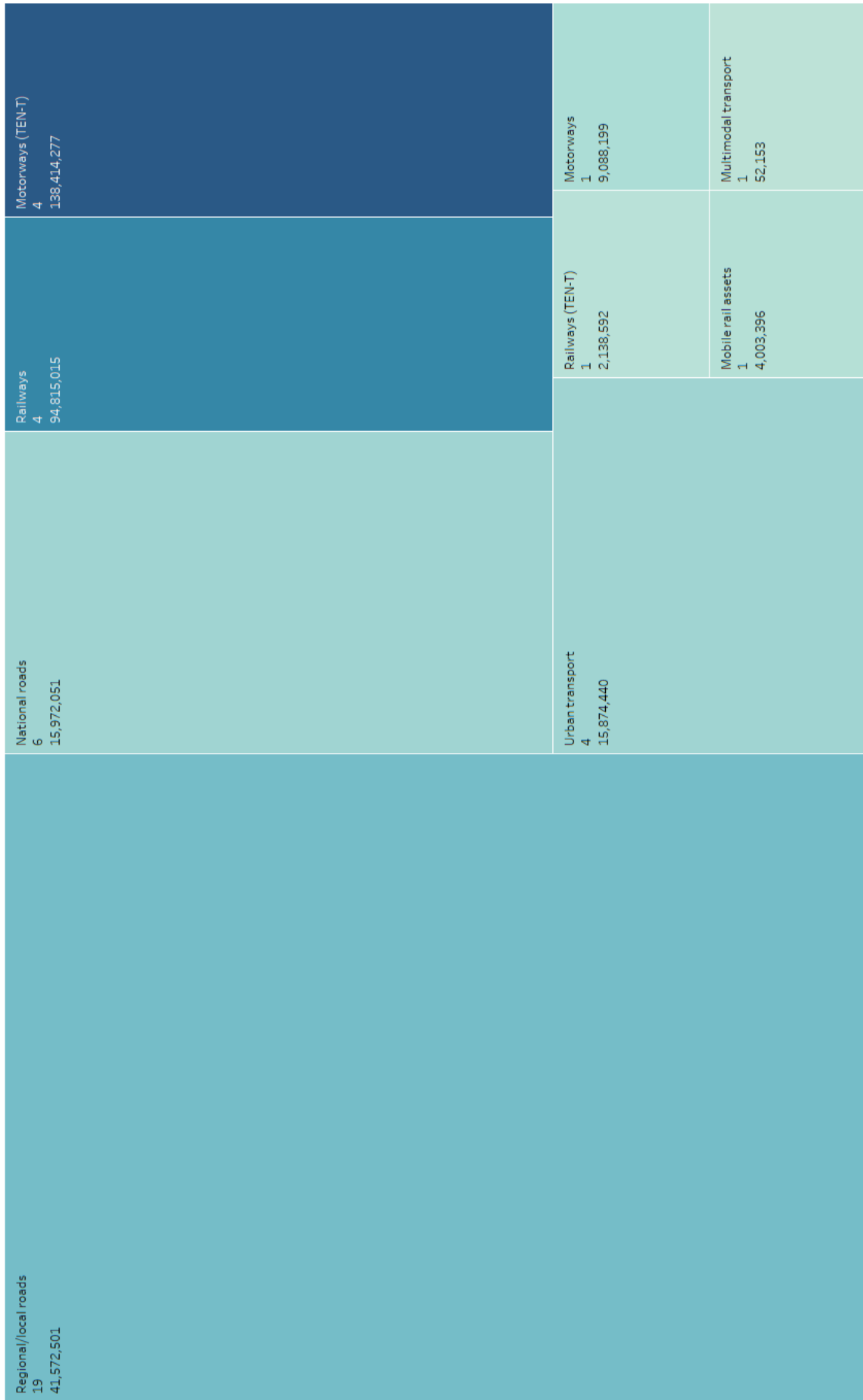
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<sup>13</sup> As a matter of fact, *'Measures of common interest – fishery'* would have a higher average amount for irregularities not reported as fraudulent. As this priority seems linked to another fund (EFF) than those taken into consideration here, it may result from errors in reporting.

Figure CP3: PP2007-13 - Irregularities (fraudulent and non-fraudulent) reported in relation to the 'Transport' Priority by theme

Regional/local roads 816 202,441,329	National roads 203 132,448,795	Urban transport 140 104,668,260	Motorways (TEN-T) 124 609,577,119
	Railways 109 500,370,439	Motorways 78 104,018,319	Mobile rail assets 26 26,825,724
		Ports 50 19,285,681	Multimodal transport systems 22 11,250,787
	Railways (TEN-T) 88 70,890,259	Airports 43 17,285,455	Intelligent transport systems 18 29,338,334
		Inland waterways (regional and local)	Inland
		11	

Figure CP4: PP2007-13 - Irregularities reported as fraudulent in relation to the 'Transport' Priority by theme



#### 4.2.2.4. Types of irregularities / modus operandi detected related to the priorities 'R&TD' and 'Transport'

Table CP17 provides an overview of the categories of irregularities reported in connection with the priority 'Research and Technological Development (R&TD)' within PP 2007-2013, including a focus on the irregularities reported as fraudulent.<sup>14</sup>

Table CP17: PP 2007-13 - Categories of irregularity/Modus operandi detected in relation to priority "RTD"

Categories of irregularities	Irregularities reported as fraudulent			All reported irregularities		
	N	EUR	EUR/avg	N	EUR	EUR/avg
Infringement of contract provisions/rules	166	184,588,789	1,111,981	1,929	1,104,780,658	572,722
Incorrect, missing, false or falsified supporting documents	147	109,791,684	746,882	905	259,935,561	287,222
Eligibility / Legitimacy of expenditure/measure	59	32,981,049	559,001	849	314,488,549	370,422
Infringements concerning the request	34	12,556,667	369,314	146	60,250,749	412,676
Incorrect, absent, falsified accounts	29	9,406,829	324,373	203	46,206,584	227,619
Violations/breaches by the operator	26	10,026,981	385,653	160	47,441,418	296,509
Infringement of public procurement rules	22	21,727,839	987,629	715	348,205,975	487,001
Product, species and/or land	13	7,728,566	594,505	61	16,920,334	277,383
Ethics and integrity	12	23,847,138	1,987,262	25	26,245,127	1,049,805
Multiple financing	7	1,399,503	199,929	48	87,433,967	1,821,541
Bankruptcy	5	6,987,455	1,397,491	73	26,784,787	366,915
Movement	1	661,260	661,260	8	2,825,732	353,217
State aid	0	0	0	1	14,152	14,152
Other	63	37,519,608	595,549	633	219,130,574	346,178
blank	11	2,940,146	267,286	186	128,882,527	692,917

The same irregularity may be associated to several categories of infringement. That is why the row of totals has been omitted: it would have resulted in multiple counting of the same notification of irregularity.

In general, 8% of cases affecting the priority 'Research and Technological Development (R&TD)' were reported as fraudulent (see table CP15).

Irregularities mainly took place during the implementation of a project as contract infringements, which implied that the project was not implemented according to what was initially agreed (category 'Infringement of contract provisions/rules'). This happened in 39% of all cases and 42% of cases reported as fraudulent. 8.6% of these violations were reported as fraudulent.

The following category refers to *incorrect, missing, false or falsified supporting documents*, which were used in 18% of all cases and 37% of cases reported as fraudulent. 84% of these violations were not reported as fraudulent, among which there were a few cases (17) of false or falsified supporting documents.

The category 'Eligibility / Legitimacy of expenditure / measure' was similarly present in all cases (17%) and in cases reported as fraudulent (15%).

Violation of *public procurement* rules were perpetrated in 14% of all 'RTD' cases (715 out of 4,965 irregularities – see Table CP17 and compare with Tables CP15 and CP16) and only 5.5% of cases reported as fraudulent (22 out of 398 irregularities – see Table CP17 and compare with Table CP15). Only 3% of the violations concerning public procurement were reported as fraudulent (22 violations out of 715 – see Table CP17).

In general, the category 'Ethics and Integrity' refers to violations concerning conflict of interest, bribery, corruption, but the residual type 'Other irregularities concerning integrity

<sup>14</sup> For details about the content of the categories listed in Tables CP17 and CP18, please see Annex 12.

*and ethics*' was the most used (followed by '*conflict of interest*'). Besides these two types of violation, only one case of corruption was reported.

Violations concerning '*ethics and integrity*' were rarely reported, but were more frequent among irregularities reported as fraudulent (3%) than within the entire population of irregularities (0.5%). These violations are the ones with the relative highest frequency of potential fraud (48%).

Similarly to Table CP17, Table CP18 provides an overview of the categories of irregularities reported in connection with the priority '*Transport*' within PP 2007-2013, including a focus on the irregularities reported as fraudulent.

In general, it can be noticed that 2.3% of cases affecting the priority '*Transport*' were reported as fraudulent.

Table CP18: Programming period 2007-13 - Categories of irregularity/Modus operandi detected in relation to priority "Transport"

Typologies of irregularities	Irregularities reported as fraudulent			All reported irregularities		
	N	EUR	EUR/avg	N	EUR	EUR/avg
Incorrect, missing, false or falsified supporting documents	23	106,874,292	4,646,708	75	131,935,265	1,759,137
Eligibility / Legitimacy of expenditure/measure	12	86,454,055	7,204,505	394	331,172,172	840,539
Ethics and integrity	11	217,617,703	19,783,428	12	217,631,941	18,135,995
Infringement of public procurement rules	9	23,185,898	2,576,211	1,198	1,164,272,466	971,847
Infringement of contract provisions/rules	6	8,242,963	1,373,827	172	67,647,551	393,300
Violations/breaches by the operator	3	66,796,825	22,265,608	12	150,989,181	12,582,432
Product, species and/or land	2	9,665,952	4,832,976	8	11,409,383	1,426,173
Movement	1	2,004,942	2,004,942	2	2,045,248	1,022,624
Infringements concerning the request	1	50,121	50,121	15	3,902,937	260,196
Incorrect, absent, falsified accounts	0	0	0	15	9,159,148	610,610
Multiple financing	0	0	0	5	786,926	157,385
Bankruptcy	0	0	0	0	0	0
State aid	0	0	0	0	0	0
Other	6	41,309,172	6,884,862	104	262,581,739	2,524,824
blank	1	3,863,700	3,863,700	32	13,829,449	432,170

Infringements of '*public procurement*' rules were the most reported (in 67% of cases), but only in less than 1% of cases these infringement were reported as fraudulent (9 violations out of 1,198 – see Table CP18).

Violations concerning '*ethics and integrity*' were rarely reported, but were more frequent among irregularities reported as fraudulent (27%) than within the entire population of irregularities (0.7%). These violations were the ones with the highest relative frequency of potential fraud (92%). More specifically, the types of violations reported included '*Conflict of interest*', '*Corruption*' and '*Other irregularities concerning ethics and integrity*'

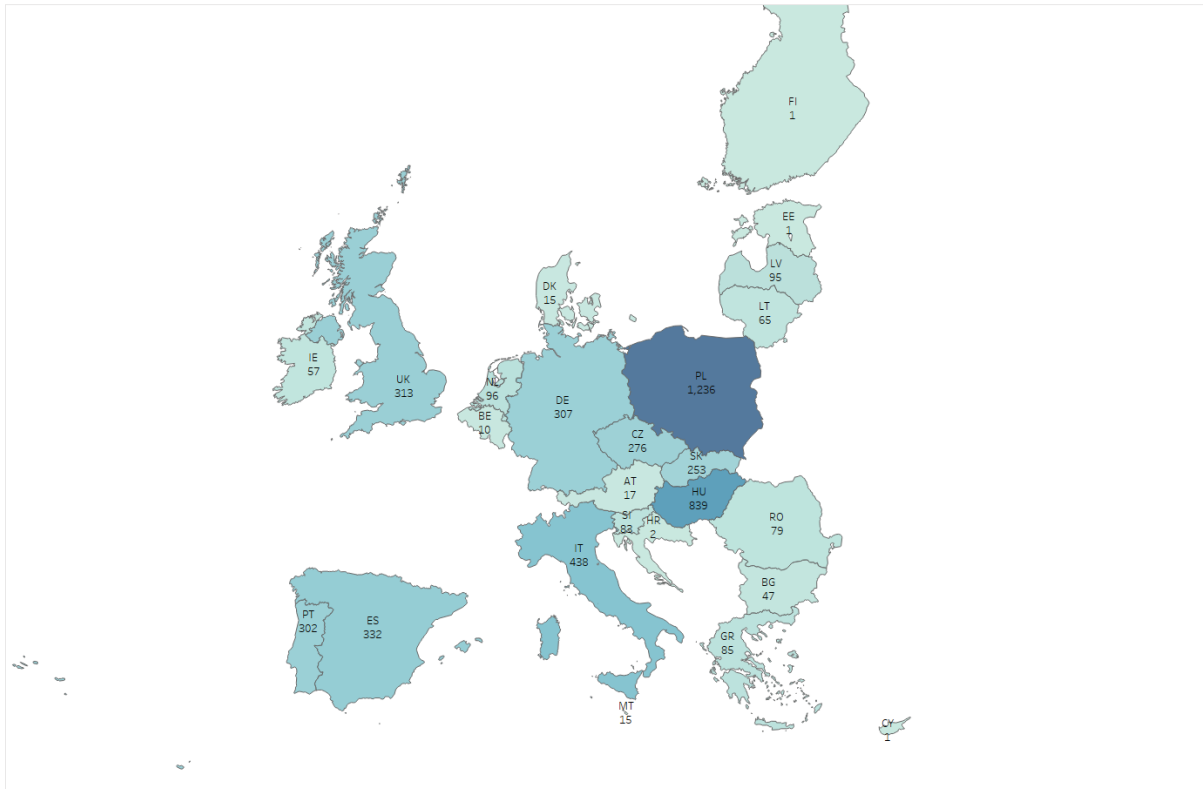
*Incorrect, missing, false or falsified documents* were used only in 4% of all cases, but in 56% of cases reported as fraudulent. 70% of these violations were reported as non fraudulent, among which there were a few cases (3) of use of false or falsified documents.

Violations concerning '*Eligibility / Legitimacy of expenditure / measure*' were the second most frequent category both among all irregularities and among the subset on irregularities reported as fraudulent.

#### 4.2.2.5. Geographical distribution of irregularities (fraudulent and non-fraudulent) detected in relation to the 'R&TD' and 'Transport' priorities

Maps CP1 and CP2 show the geographical distribution of the irregularities (fraudulent and non-fraudulent) reported in relation to the priorities 'R&TD' and 'Transport'.

Map CP1: Number of irregularities (fraudulent and non-fraudulent) reported by Member State in relation to the theme 'R&TD' - programming period 2007-13

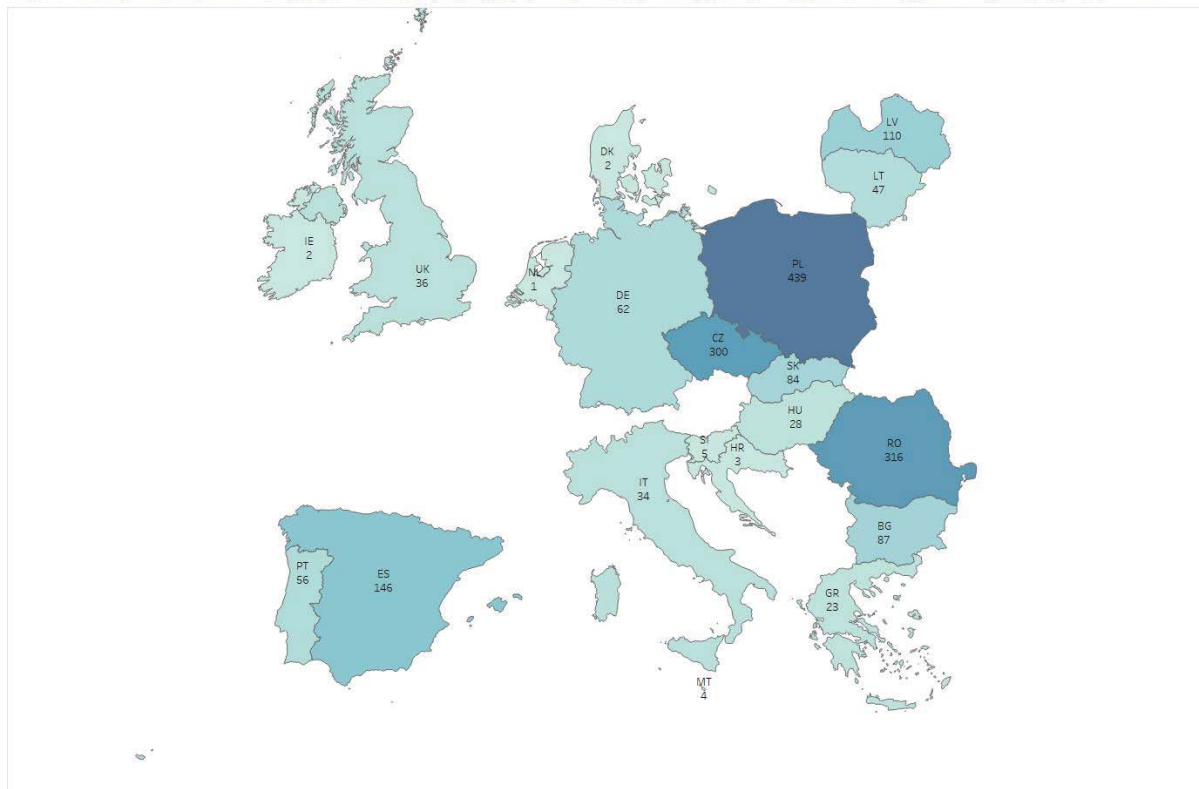


The contribution of Poland was significant and balanced between 'RTD' and 'Transport', as in both priorities this Member State detected about 25% of all relevant irregularities.

Other Member States were relatively more affected by (or were more efficient in detecting) irregularities related to 'RTD', such as Hungary, Italy, the United Kingdom, Portugal and Germany, while in other Member States irregularities related to 'Transport' weighed more, such as in Romania, Czech Republic, Latvia and Bulgaria.<sup>15</sup>

<sup>15</sup> This is assessed through the difference between the percentage of the irregularities reported by a Member State (over the total number of irregularities reported by all Member States) in 'RTD' and in 'Transport'. Where this difference (between the 'RTD' percentage and the 'Transport' percentage) in a Member State approached or exceeded 3 pp, the same Member State has been mentioned in the main body of the text as relatively more affected by (or more efficient in detecting) 'RTD' or 'Transport' irregularities.

Map CP2: Number of irregularities (fraudulent and non-fraudulent) reported by Member State in relation to the theme 'Transport' - Programming period 2007-13



### 4.3 Reasons for performing control

#### 4.3.1 Irregularities reported as fraudulent

In the context of the antifraud cycle, the detection capability is a key feature, which contributes to the effectiveness and efficiency of the system for the protection of the EU budget.

Table CP19 provides an overview of the reasons why controls were performed with reference to the Cohesion policy for the PP 2007-2013, with a focus on controls that led to discover irregularities reported as fraudulent.<sup>16</sup> The description of the 'reason for performing control' has been shortened to simplify the Table and associated Charts and Graphs, but the full description can be consulted in Annex 14.

The straight lines in the graphs associated to Table CP19 represent the border between 'reasons' that led to identify irregularities with an average amount above or below the global average (that takes into account all potential frauds affecting the Cohesion policy for PP 2007-2013). The vertical distance between a point representing a specific reason and the straight line is an indicator of how higher or lower was the yield of controls started for that

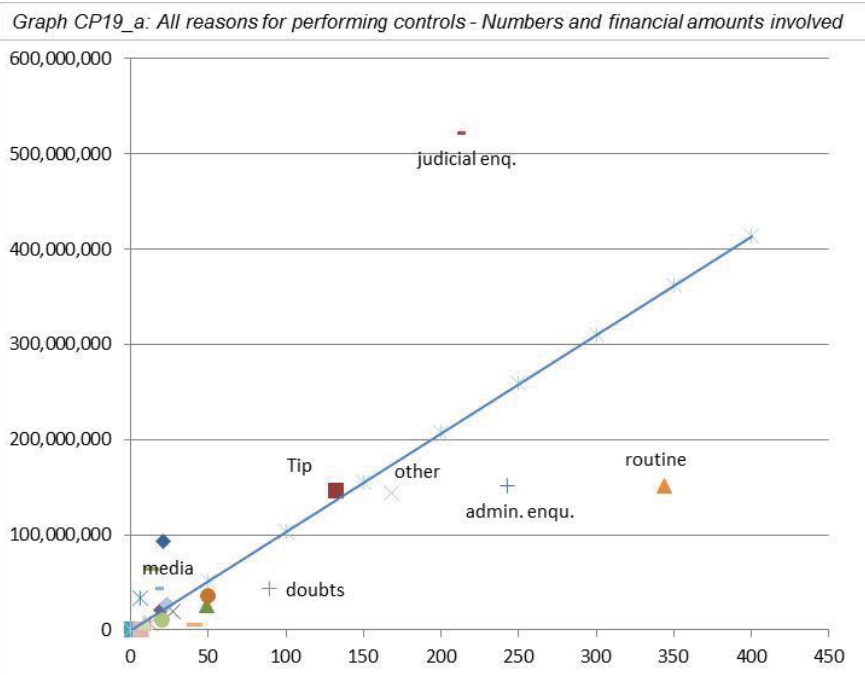
<sup>16</sup> For the analysis of the reasons for performing controls, only cases where the amount of the reported irregularity is greater than zero have been considered. Within the same case, reference can be made to more than one reason for performing the control. This case has been counted in each 'reason' mentioned in the notification by the Member State. As a consequence, the sum of irregularities in Table CP19 (and similar Tables in this section) is higher than the actual number of relevant cases. This is why the row of totals is not included in the Table. Whenever reference is made to a 'global average', this must be understood as the average financial amount of the relevant cases (potential frauds affecting Cohesion policy for PP 2007\_13, for comments related to Table CP19, or non fraudulent irregularities affecting the same domain, for comments related to Table CP20). It is calculated on the basis of data in Table CP19 (or CP20) so it implies some double counting.



specific reason, in comparison with the hypothetical situation where these controls involved financial amounts in line with the global average<sup>17</sup>.

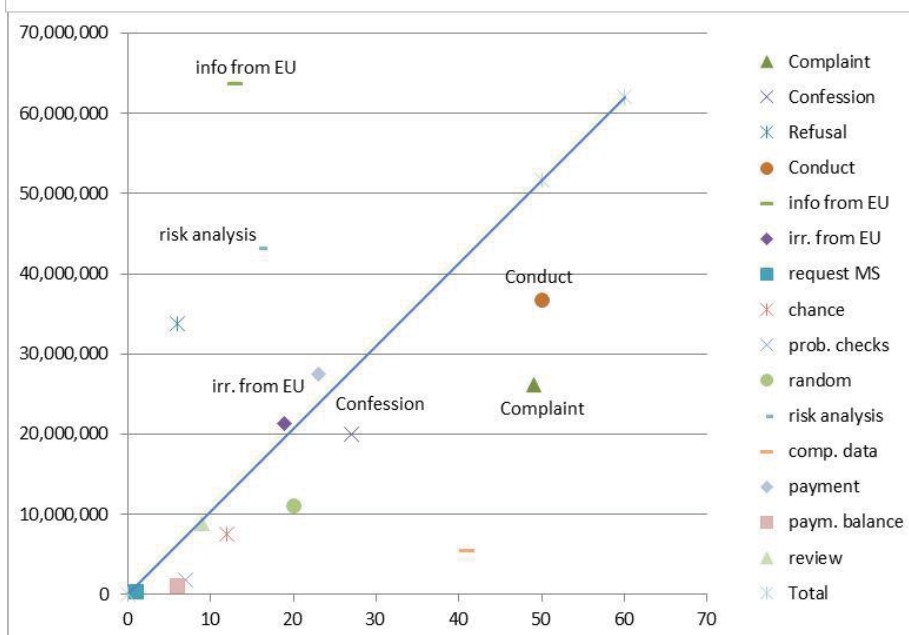
*Table CP19: Reasons for performing controls leading to irregularities reported as fraudulent in Cohesion policy*

Reason for performing control	Irregularities reported as fraudulent - Cohesion policy - Programming period 2007-2013		
	Reported N	Involved amounts EUR	Average amounts EUR
media	21	92,710,721	4,414,796
Tip	132	146,290,564	1,108,262
Complaint	49	26,099,836	532,650
Confession	27	19,928,268	738,084
Refusal	6	33,734,337	5,622,390
Conduct	50	36,678,973	733,579
admin. enq.	243	151,446,600	623,237
judicial enq.	211	521,028,930	2,469,331
info from EU	13	63,654,810	4,896,524
irr. from EU	19	21,372,405	1,124,863
request MS	1	308,992	308,992
routine	344	150,925,594	438,737
prob. checks	7	1,751,051	250,150
chance	12	7,520,278	626,690
random	20	10,995,366	549,768
doubts	89	43,710,125	491,125
risk analysis	16	43,184,324	2,699,020
comp. data	41	5,526,638	134,796
payment	23	27,406,639	1,191,593
paym. balance	6	1,021,328	170,221
review	9	8,816,593	979,621
other	168	144,426,807	859,683



<sup>17</sup> This comparison takes into consideration both the number of controls started for a specific reason and the difference between average financial amount associated to that specific reason and the global average.

Graph CP19\_b: Zoom on less frequent reasons for performing controls - Numbers and financial amounts involved



'Routine' is the most reported reason, but it shows a low average financial amount of the related irregularities.

The highest financial amounts were involved in irregularities where 'Judicial enquiry' was mentioned as a reason for performing the control. 62% of controls that started because of a judicial enquiry were concentrated in 3 Member States: Czech Republic, Poland and Romania.

Controls that were started because of information provided by whistle-blowers, informants, etc. or media were fewer, but led to good results, in particular in the case of media. The Czech Republic and Germany were the Member States with more tip-motivated controls leading to discover a potentially fraudulent irregularity (informants, whistle-blowers, etc.). Media-motivated controls were performed more frequently in the Czech Republic.

Controls that started because of 'information and/or request by an EU-body' are largely above-the-average, in terms of average financial amount of the related irregularities.

'Risk analysis' is not often reported as the reason for performing a control that led to identify an irregularity reported as fraudulent. Basically, all of these instances were reported by Slovakia. The average financial amount of these cases is largely above-the-average.

#### 4.3.2 Irregularities not reported as fraudulent

Table CP20 provides an overview of the reasons why controls were performed with reference to the Cohesion policy and PP 2007-2013, with a focus on controls that led to identify irregularities not reported as fraudulent.<sup>18</sup> For an explanation of the associate graphs, please see section 3.3.1. The description of the 'reason for performing control' has been shortened to

<sup>18</sup> For the analysis of the reasons for performing controls, only cases where the amount of the reported irregularity is greater than zero have been considered. Within the same case, reference can be made to more than one reason for performing the control. This case has been counted in each 'reason' mentioned in the notification by the Member State. As a consequence, the sum of irregularities in Table CP20 (and similar Tables in this section) is higher than the actual number of relevant cases. This is why the row of totals is not included in the Table.

simplify the Table and associated Charts and Graphs, but the full description can be consulted in Annex 14.

'Routine' is the most reported reason, but it shows a low average financial amount.

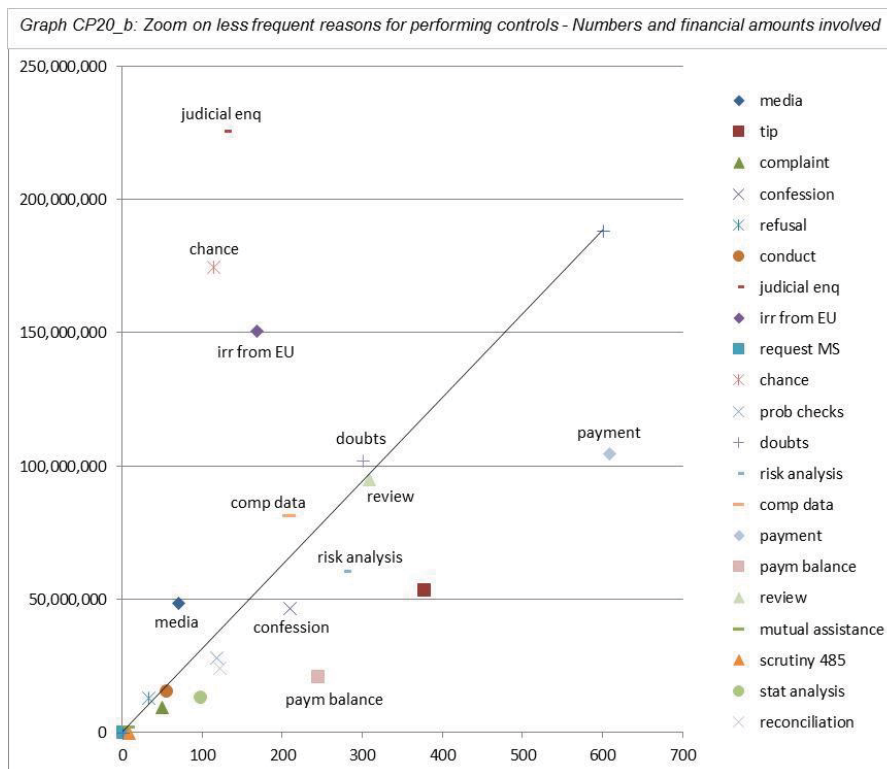
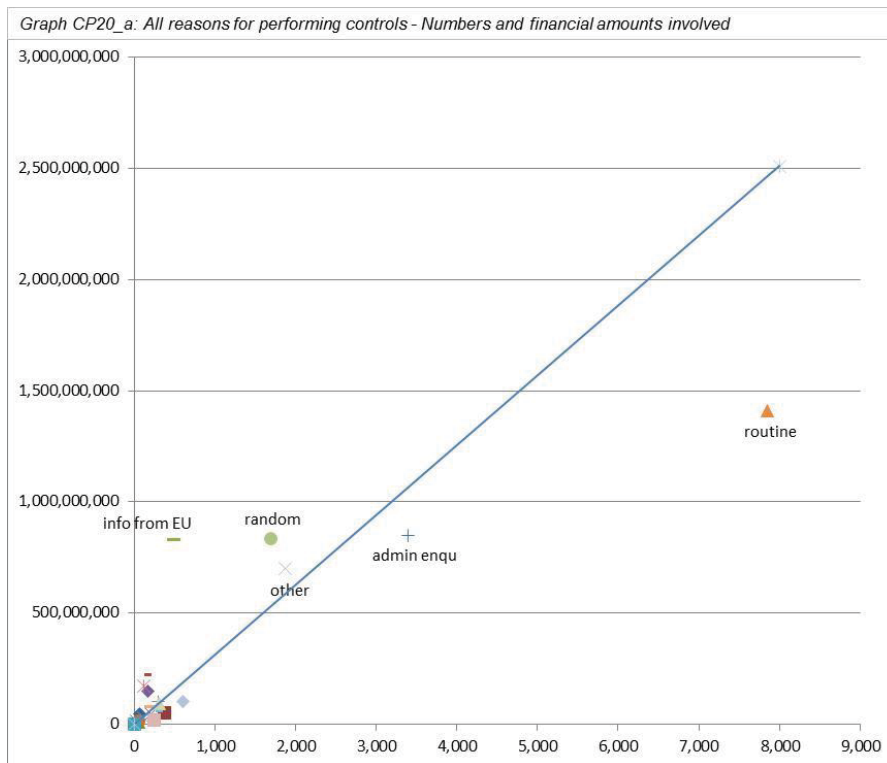
On average, when a control is started because of a '*judicial*' enquiry, the financial amount involved is very high. These cases were concentrated in Italy, the Czech Republic, Poland and Lithuania.

Also '*Media*' is a reason that led to discover irregularities with an average financial amount above the relevant global average. Similarly to the irregularities reported as fraudulent, many of these cases were reported by the Czech Republic.

A noticeable number of cases were started because of information from an EU body or an irregularity detected and reported by an EU body. Both typologies showed high average financial amounts.

Table CP20: Reasons for performing controls leading to irregularities not reported as fraudulent in Cohesion policy

Reason for performing control	Irregularities not reported as fraudulent - Cohesion policy - Programming period 2007-2013		
	Reported	Involved amounts	Average amounts
	N	EUR	EUR
media	69	48,609,131	704,480
tip	377	53,312,414	141,412
complaint	49	9,856,769	201,159
confession	208	46,841,916	225,202
refusal	32	13,155,776	411,118
conduct	55	15,307,272	278,314
admin enqu	3401	851,414,752	250,342
judicial enq	128	225,429,746	1,761,170
mutual assistance	7	2,094,214	299,173
info from EU	483	831,344,550	1,721,210
irr from EU	167	150,893,045	903,551
request MS	1	79,529	79,529
scrutiny 485	7	132,465	18,924
routine	7851	1,411,357,187	179,768
prob checks	117	28,324,397	242,089
chance	113	174,828,721	1,547,157
random	1691	833,694,451	493,019
doubts	300	102,057,368	340,191
risk analysis	278	60,348,003	217,079
stat analysis	98	13,197,260	134,666
comp data	208	81,459,750	391,633
reconciliation	121	24,393,859	201,602
payment	608	104,777,080	172,331
paym balance	244	20,713,277	84,890
review	308	95,308,036	309,442
other	1877	700,015,285	372,944



'Risk analysis' led to identify a number of irregularities, which involved an average financial amount below the relevant global average. Most of these irregularities were detected in Poland.

Another reason that might imply some form of risk analysis ('comparison of data') led to better results in terms of financial amounts, but it also showed a relatively low frequency or low 'detection capability' (208 cases against 7,851 cases identified by 'routine'). Lithuania, the Czech Republic and Portugal reported the majority of the 'Comparison of data' cases.

4.4. Antifraud and control activities by Member States – programming period 2007-2013  
Previous sections have examined the trend and main characteristics of the reported irregularities.

The present section aims at examining some aspects linked to the antifraud and control activities and results of Member States. Four elements are taken into account:

- the duration of the irregularities;
- the number of irregularities reported as fraudulent by each Member State;
- the fraud detection rate (FDR - the ratio between the amounts involved in cases reported as fraudulent and the payments occurred in relation to the PP 2007-13) and the irregularity detection rate (IDR - the ratio between the amounts involved in cases not reported as fraudulent and the payments occurred in relation to the PP 2007-13)<sup>19</sup>;
- the ratio of cases of established fraud on the total number of irregularities reported as fraudulent.

#### 4.4.1. Duration of irregularities

Of the 39,803 irregularities (fraudulent and non-fraudulent) reported by Member States in relation to the PP 2007-13, 19,663 (49% of the total) involved infringements that have been protracted during a span of time. For the 1,934 irregularities reported as fraudulent, this percentage is higher at about 61%. The remaining part of the dataset refers to irregularities which consisted of a single act identifiable on a precise date (about 23% of the whole dataset and 28% of that including exclusively the fraudulent irregularities) or for which no reliable information has been provided<sup>20</sup> (28% of the whole dataset and 12% of the irregularities reported as fraudulent).

The average duration of the irregularities which have been protracted over time was 21 months (*i.e.* 1 year and 9 month). For the irregularities reported as fraudulent, this average was similar: 20 months.

#### 4.4.2. Detection of irregularities reported as fraudulent by Member State in relation to the programming period 2007-13

Map CP3 shows the number of irregularities reported as fraudulent by Member State in relation to the PP 2007-13.

Only Luxembourg has notified no irregularity as fraudulent; thirteen (13) Member States reported less than 30 potentially fraudulent irregularities; four (4) countries reported between 30 and 60; three (3) Member States between 60 and 90; six (6) more than 90.

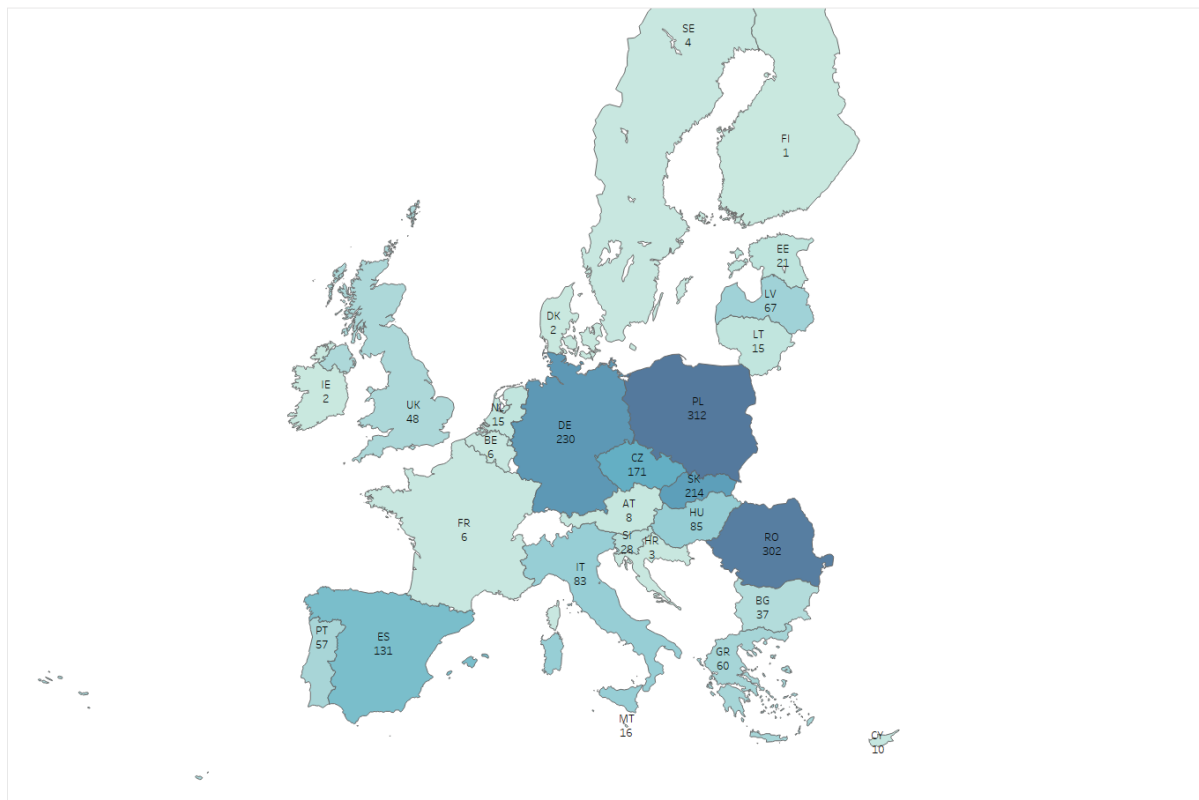
Poland, Romania and Germany are the three countries which have reported the highest numbers.

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<sup>19</sup> The Member States have the obligation to report only irregularities for which payment and certification to the European Commission occurred. As a consequence, the IDR focuses on the 'repressive' side of the anti-fraud cycle and does not include the results of 'prevention' activities. This does not apply to the FDR, as fraudulent cases must be reported regardless.

<sup>20</sup> This includes cases where start date and end date were not filled in (11,057 cases, of which 224 cases reported as fraudulent) and cases where only the end date was filled in (71 cases).

Map CP3: Number of irregularities reported as fraudulent by Member State in relation to the programming period 2007-13 - Cohesion and fisheries policy



#### 4.4.3. Fraud detection rate

The fraud detection rate compares the results obtained by Member States in their fight against fraud with the related payments. Considering the multi-annual nature of the cohesion policy spending programmes, no annual analysis is proposed, focusing instead on the whole PP 2007-13, for which the documents for closure have been presented during 2017.

The FDR is the highest for Slovakia and Romania, above 1%. Other Member States (Czech Republic, Latvia, Slovenia, Poland and Portugal) show a FDR between 0.5% and 1%.

Table CP 21: Number of irregularities reported as fraudulent, amounts involved and fraud detection rate by Member State - Programming period 2007-13

Member State	Irregularities reported as fraudulent PP 2007-13		Payments PP 2007-2013 EUR	Fraud detection rate %
	Reported N	Involved amounts EUR		
	AT	8	1,554,144	1,120,099,482
BE	6	437,725	1,998,516,738	0.02
BG	37	7,758,774	6,325,558,560	0.12
CY	10	1,052,437	601,298,020	0.18
CZ	171	221,615,505	25,132,381,632	0.88
DE	230	33,387,259	24,618,869,733	0.14
DK	2	234,251	631,974,458	0.04
EE	21	11,184,525	3,316,509,753	0.34
ES	131	17,534,266	33,700,535,994	0.05
FI	1	26,786	1,626,153,860	0.00
FR	6	2,886,409	13,046,284,044	0.02
EL	60	13,729,274	20,357,127,810	0.07
HR	3	2,184,460	703,687,186	0.31
HU	85	8,278,844	23,130,387,246	0.04
IE	2	15,672	772,685,912	0.00
IT	83	104,250,575	26,063,663,360	0.40
LT	15	1,859,994	6,541,258,484	0.03
LV	67	37,152,942	4,457,884,217	0.83
MT	16	305,510	812,125,083	0.04
NL	15	4,324,984	1,674,894,731	0.26
PL	312	409,592,342	66,484,533,073	0.62
PT	57	119,805,392	21,057,286,061	0.57
RO	302	188,521,567	17,134,694,028	1.10
SE	4	66,797	1,620,376,667	0.00
SI	28	28,662,772	3,915,978,900	0.73
SK	214	233,276,610	10,918,995,796	2.14
UK	48	11,531,701	9,520,567,090	0.12
CB*	40	8,585,647	7,680,387,723	0.11
<b>TOTAL</b>	<b>1,934</b>	<b>1,461,231,517</b>	<b>334,964,715,638</b>	<b>0.44</b>

Programmes under the Territorial Cooperation Programme (designated in the table under the country code 'CB', last row before the total) can involve several countries and, therefore, paid amounts are spread among the beneficiaries in various Member States. However, in general, irregularities for these programmes are reported by the Member State in which the expenditure is paid out by the beneficiary in implementing the operation. For this reason, the sums paid have been included in the total, while the irregularities reported as fraudulent and the related amounts have already been computed in relation to the country having reported them. The 'CB' numbers have been included in the table to calculate the FDR related to these programmes, but they are not summed in the total row to avoid a double counting.

#### 4.4.4. Irregularity Detection Rate

The irregularity detection rate compares the results obtained by Member States in detecting non-fraudulent irregularities with the related payments. Considering the multi-annual nature of the Cohesion policy spending programmes, no annual analysis is proposed, focusing instead on the whole programming period 2007-13, for which the documents for closure have been presented during 2017.

The IDR is the highest for Slovakia (nearly 10%) and for Czech Republic, Spain and Greece (between 4% and 5%).

Table CP 22: Number of irregularities not reported as fraudulent, amounts involved and irregularity detection rate by Member State - Programming period 2007-13

Member State	Irregularities not reported as fraudulent PP 2007-13		Payments PP 2007-2013	Irregularity detection rate (1)
	Reported	Involved amounts		
	N	EUR	EUR	%
AT	313	24,980,137	1,120,099,482	2.23
BE	392	24,847,359	1,998,516,738	1.24
BG	701	146,719,250	6,325,558,560	2.32
CY	55	4,436,574	601,298,020	0.74
CZ	3,723	1,257,334,740	25,132,381,632	5.00
DE	1,322	124,637,521	24,618,869,733	0.51
DK	51	2,559,868	631,974,458	0.41
EE	337	33,917,589	3,316,509,753	1.02
ES	9,712	1,638,905,070	33,700,535,994	4.86
FI	80	3,763,761	1,626,153,860	0.23
FR	417	61,963,657	13,046,284,044	0.47
EL	1,982	833,207,034	20,357,127,810	4.09
HR	15	2,467,797	703,687,186	0.35
HU	1,557	247,490,670	23,130,387,246	1.07
IE	270	16,257,085	772,685,912	2.10
IT	1,620	404,978,892	26,063,663,360	1.55
LT	554	144,633,835	6,541,258,484	2.21
LU	8	210,788	50,487,332	0.42
LV	485	104,965,626	4,457,884,217	2.35
MT	80	15,797,733	812,125,083	1.95
NL	428	37,453,627	1,674,894,731	2.24
PL	5,327	1,290,156,567	66,484,533,073	1.94
PT	1,252	184,555,179	21,057,286,061	0.88
RO	2,224	494,418,040	17,134,694,028	2.89
SE	147	8,105,895	1,620,376,667	0.50
SI	256	51,093,616	3,915,978,900	1.30
SK	1,487	1,088,825,432	10,918,995,796	9.97
UK	3,074	212,517,980	9,520,567,090	2.23
CB	564	34,535,106	7,680,387,723	0.45
<b>TOTAL</b>	<b>37,869</b>	<b>8,461,201,322</b>	<b>335,015,202,970</b>	<b>2.53</b>

Programmes under the Territorial Cooperation Programme (designated in the table under the "country-code" 'CB', last row before the total) can involve several countries and, therefore, paid amounts are spread among the beneficiaries in various Member States. However, in general, irregularities for these programmes are reported by the Member State in which expenditure is paid out by the beneficiary in implementing the operation. For this reason, the sums paid have been included in the total, while the irregularities not reported as fraudulent and the related amounts have already been computed in relation to the country having reported them. The 'CB' numbers have been included in the table to calculate the IDR related to these programmes, but they are not summed in the total row to avoid a double counting.

#### 4.4.5. Ratio of established fraud (programming period 2007-13)

Table CP23 shows the ratio between the cases of established fraud and the total number of irregularities reported as fraudulent (including suspected and established fraud) in the period 2009-13. Taking into account only cases reported in 2017 would be meaningless, as the criminal proceedings leading to a conviction for fraud may take several years, while using the period 2010-14 or later periods would make it impossible to make a sound comparison with figures published in the 2013 Report.



Table CP23 is integrated with the ‘Dismissal ratio’, calculated as the differences between the total number of irregularities reported as fraudulent at the time of the 2013 Report and the total that takes into account the updates received until the end of 2017. A positive ratio means that Member States have classified as ‘suspected’ or ‘established fraud’ irregularities appearing as non-fraudulent in 2013.

In this respect, the average ratio of established fraud at EU level is 16%, increasing from 14% of 2016. The dismissal ratio is 11%.

If one considers exclusively the “decisions” (established + dismissed) of the 176 decided cases (98 established fraud and 78 dismissals), 56% is the ‘conviction rate’ and 44% the ‘dismissal rate’.

Table CP23: Number of cases of suspected and established fraud, ratio of established fraud, dismissal ratio - cases reported between 2009-13 in relation to the programming period 2007-2013

Member State	Suspected fraud	Established fraud	TOTAL	Ratio established fraud	TOTAL 2013	Dismissal ratio
	N	N	N	%	N	%
AT	5	1	6	17%	6	0%
BE	2	0	2	0%	2	0%
BG	24	2	26	8%	30	-13%
CY	5	1	6	17%	4	50%
CZ	42	4	46	9%	63	-27%
DE	59	49	108	45%	125	-14%
EE	4	4	8	50%	7	14%
ES	1	0	1	0%	4	-75%
FI	0	0	0	N/A	3	-100%
FR	1	0	1	0%	1	0%
GR	18	3	21	14%	22	-5%
HU	8	0	8	0%	8	0%
IE	2	0	2	0%	2	0%
IT	62	0	62	0%	62	0%
LT	9	0	9	0%	9	0%
LV	24	6	30	20%	45	-33%
MT	14	0	14	0%	14	0%
NL	1	0	1	0%	0	N/A
PL	110	18	128	14%	140	-9%
PT	12	0	12	0%	12	0%
RO	61	1	62	2%	60	3%
SE	1	0	1	0%	5	-80%
SI	8	5	13	38%	13	0%
SK	22	4	26	15%	21	24%
UK	25	0	25	0%	38	-34%
<b>TOTAL</b>	<b>520</b>	<b>98</b>	<b>618</b>	<b>16%</b>	<b>696</b>	<b>-11%</b>

#### 4.5 Other shared management Funds

There are other funds used under shared management. Table CP24 provides an overview of all the irregularities and related financial amounts that have been reported up to 2017 with reference to:

- *Asylum, Migration and Integration Fund (AMIF)*: This Fund was set up for the period 2014-20, with a total of about EUR 3.1 billion. It is meant to promote the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration. The largest share of the total amount of the AMIF (approximately 88%) is to be channelled through shared management. Member States implement their multiannual National Programmes, which are prepared, implemented, monitored and evaluated by the responsible national authorities, in partnership with the relevant stakeholders in the field, including the civil society. All Member States except Denmark participate in the implementation of this Fund. Examples of beneficiaries of the programmes implemented under this Fund can be state and federal authorities, local public bodies, non-governmental organisations, humanitarian organisations, private and public law companies and education and research organisations.
- *Fund for European Aid to the Most Deprived (FEAD)*: Over EUR 3.8 billion are earmarked for this Fund for the period 2014-2020. FEAD supports Member States' actions to provide material assistance to the most deprived, including food, clothing and other essential items for personal use. Material assistance needs to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty. National authorities may also support non-material assistance to the most deprived people, to help them integrate better into society. Following the Commission's approval of national programmes, national authorities decide about the delivery of the assistance through partner organisations (public bodies or often non-governmental organisations).
- *European Globalisation Adjustment Fund (EGF)*: This Fund provides support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation or as a result of the global economic and financial crisis. The EGF has a maximum annual budget of EUR 150 million for the period 2014-2020. It can fund up to 60% of the cost of projects designed to help workers made redundant find another job or set up their own business. EGF cases are managed and implemented by national or regional authorities. Each project runs for 2 years.
- *Internal Security Fund (ISF)*: This fund was set up for the period 2014-20, with a total of EUR 3.8 billion. The Fund promotes the implementation of the Internal Security Strategy, law enforcement cooperation and the management of the Union's external borders. The ISF is composed of two instruments, ISF Borders and Visa (B&V) and ISF Police. For the 2014-20 period
  - EUR 2.76 billion is available for funding actions under the ISF B&V instrument, of which EUR 1.55 billion are to be channelled through shared management. All Member States except Ireland and the United Kingdom participate in the implementation;
  - about EUR 1 billion is available for funding actions under the ISF Police instrument, of which EUR 662 million are to be channelled through shared management. All Member States except Denmark and the United Kingdom participate in the implementation.

- *Youth Employment Initiative (YEI)*: While supporting the Youth Guarantee, YEI is targeted to young people who are not in education, employment or training (NEETs), including the long-term unemployed or those not registered as job-seekers. It ensures that in parts of Europe where the challenges are most acute, young people can receive targeted support. The total budget of the YEI is EUR 8.8 billion for the period 2014-2020. Of the total budget of EUR 8.8 billion, EUR 4.4 billion comes from a dedicated Youth Employment budget line, which is complemented by EUR 4.4 billion more from ESF national allocations.

Table CP24: Number of irregularities and financial amounts involved - AMIF, FEAD, ISF and YEI

FUND	REPORTING YEAR				TOTAL	
	2016		2017		N	EUR
	N	EUR	N	EUR		
AMIF	0	0	1	11,951	1	11,951
FEAD	3	463,921	0	0	3	463,921
ISF	1	178,812	0	0	1	178,812
YEI	0	0	2	978,381	2	978,381
<b>TOTAL</b>	<b>4</b>	<b>642,732</b>	<b>3</b>	<b>990,333</b>	<b>7</b>	<b>1,633,065</b>

## 5. PRE-ACCESSION POLICY (PRE-ACCESSION ASSISTANCE AND INSTRUMENT FOR PRE-ACCESSION I AND II)

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

The assistance in pre-accession is provided on the basis of the European Partnerships of the potential candidates and the Accession Partnerships of the candidate countries. The current candidate countries are Albania, the Former Yugoslav Republic of Macedonia (FYROM), Montenegro, Serbia and Turkey. Potential candidate countries are Bosnia and Herzegovina and Kosovo<sup>21</sup>.

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

The old Pre-accession Assistance (PAA), regarding the period 2000-06, was financed by a number of European Union programmes and financial instruments for candidate countries or potential candidate countries, namely the programmes for candidate countries, PHARE, SAPARD and ISPA, Phare Cross-Border Cooperation (CBC) and Coordination, Pre-accession financial assistance for Turkey<sup>22</sup>, Assistance for reconstruction, development and stabilisation for potential candidate countries (CARDS)<sup>23</sup> and Transition facility<sup>24</sup>.

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

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

The financing of IPA was provided by the five following different components and European Commission's Directorate General 'Neighbourhood & Enlargement Negotiations' leads in the coordination of the instrument:

- (1) Component I, *Transition Assistance and Institution Building (TAIB)*, managed by the European Commission's Directorate General 'Neighbourhood & Enlargement Negotiations';
- (2) Component II, *Cross-Border Cooperation*, in part managed by the European Commission's Directorate General 'Neighbourhood & Enlargement Negotiations' and in

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<sup>21</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<sup>22</sup> Turkey has been receiving pre-accession assistance since 2002.

<sup>23</sup> Albania, Croatia, FYROM, Serbia, Kosovo and Bosnia Herzegovina, Council Regulation (EC) No 2666/2000 of 5 December 2000.

<sup>24</sup> The EU-10 that joined European Union in 2004 received a Transition facility during 2004-2006. However the EU-2 received a Transition facility in 2007 which is regarded as a post-accession assistance.

part managed, under shared management with Member States, by European Commission's Directorate General 'Regional Policy';

- (3) Component III, *Regional Development*, managed by the European Commission's Directorate General 'Regional Policy';
- (4) Component IV, *Human Resources Development*, managed by the European Commission's Directorate General 'Employment, Social Affairs and Inclusion'; and
- (5) Component V - *Rural Development*, managed by the European Commission's Directorate General 'Agriculture and Rural Development'.

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

The eligibility for IPA components differs depending on the state of preparedness. In the use of funds the IPA beneficiary countries were divided into two categories. Croatia and the EU candidate countries: the Former Yugoslav Republic of FYROM, Serbia and Turkey; were eligible for all five components of IPA. While the new candidate countries, Albania and Montenegro (candidate status awarded in 2010), remained outside the scope of intervention of IPA Component III, the regional development. The Potential candidate countries in the Western Balkans (Albania, Bosnia and Herzegovina, Montenegro and Kosovo) were eligible only for the first two components.<sup>25</sup>

Implementation of Components I and II falls under the responsibility of DG 'Neighbourhood & Enlargement Negotiations', which initiated the components under a centralised management mode, with a view to transferring implementation management powers to the beneficiary countries as soon as their administrative capacities are considered sufficiently developed to ensure sound financial management. The EU Delegations play a major role in the delivery of IPA, in particular under the de-concentrated and decentralised management modes.<sup>26</sup>

The implementation can be handled:

- directly by central management: funds are managed by DG 'Neighbourhood & Enlargement Negotiations' at headquarters;
- directly de-concentrated: funds are managed by EU Delegations under the supervision;
- directly centralised: cross-delegated when funds are managed by another service of the Commission through cross sub-delegation;
- indirectly in a centralised indirect management: funds are managed by executive agencies, specialised Community bodies (such as the European Investment Bank or the European Investment Fund) and national or international public-sector bodies or bodies governed by private law with a public-service mission;
- indirectly decentralised with ex ante control: funds are managed by accredited national authorities of the beneficiary country, but procurement is subject to ex ante control by the EC Delegation;

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<sup>25</sup> Potential candidate countries were defined at the Santa Maria da Feira European Council of 20 June 2000.

<sup>26</sup> Following the entry into force of the Treaty of Lisbon, Delegations have become a part of the European External Action Service, with effect from 1 December 2010.

- decentralised without ex ante control: funds are managed by accredited national authorities of the beneficiary country and are not subject to ex ante controls by an EC Delegation;
- joint: funds are jointly managed with International Organisations (EBRD, EIB, Sigma, UN agencies, etc.)

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

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

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

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

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

- The priorities outlined in the Strategy Papers are translated into detailed actions, which are included in annual or multi-annual Action Programmes. IPA II Action Programmes take the form of Financing Decisions adopted by the European Commission.
- The bulk of the assistance is channelled through the Country Action Programmes for IPA II Beneficiaries, which are the main vehicles for addressing country-specific needs in priority sectors as identified in the indicative Strategy Papers.
- Multi-Country Action Programmes aim at enhancing regional cooperation (in particular in the Western Balkans) and at adding value to the Country Action Programmes through other multi-beneficiary actions.
- Cross-Border Cooperation Programmes represent the focus of assistance in the area of territorial cooperation between IPA II beneficiaries, another important form of financial assistance.

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

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

- Under direct management; *i.e.* the implementation of the budget is carried out directly by the European Commission until the relevant national authorities are accredited to manage the funds.
- Under indirect management; *i.e.* budget implementation tasks are delegated to and carried out by entities entrusted by the European Commission; they can be:
  - the IPA II beneficiary or an entity designated by it (one of the main objectives of IPA II is to encourage beneficiaries to take ownership and responsibility for

implementation; indirect management by the IPAlI beneficiary is therefore expected to become the norm);

- an agency of a Member State or, exceptionally, of a third donor country;
- an international organisation; or
- an EU specialised (but not executive) agency.

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

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

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

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

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

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

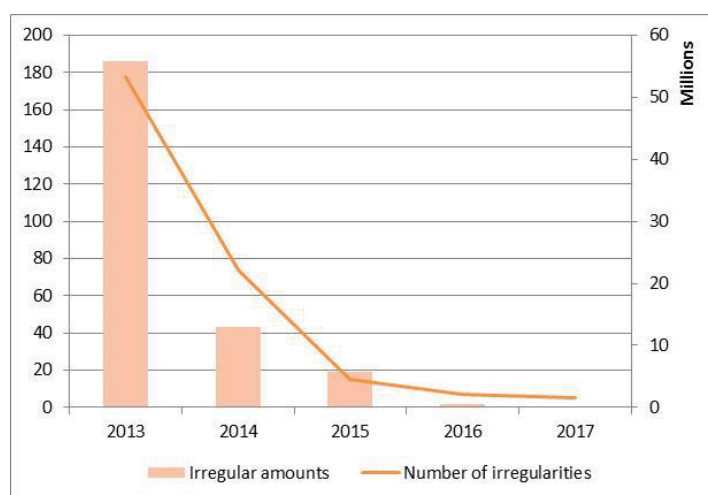
#### 5.4. General analysis

##### 5.4.1. *Pre-accession assistance (PAA)*

Regarding the Pre-Accession Assistance (PAA), the number of reported irregularities decreased further in 2017 compared to the previous year. The downward trend, which started in 2009, was confirmed during the last five years, as Table PA1 shows.

With the phasing out of the pre-accession programmes, for the second year in a row, the number of irregularities reported as fraudulent approached zero.

Year	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2013	148	44,814,746	30	11,017,126	178	55,831,872
2014	53	6,878,720	21	6,053,792	74	12,932,511
2015	7	1,200,645	8	4,560,389	15	5,761,034
2016	6	286,894	1	262,634	7	549,528
2017	4	121,749	1	0	5	121,749
<b>TOTAL</b>	<b>218</b>	<b>53,302,753</b>	<b>61</b>	<b>21,893,940</b>	<b>279</b>	<b>75,196,693</b>



In the past five years, most of the irregularities, fraudulent and non-fraudulent (97% of the total) and the highest aggregate amount (99.7% of the total) were reported by Romania and Bulgaria. In relation to the distribution of irregularities according to funds, the highest numbers related to SAPARD (58%), while the highest amounts involved related to ISPA (50.5%) and SAPARD (42%). Irregularities concerning ISPA recorded the highest average financial amount involved, which was nearly four times the average related to SAPARD.

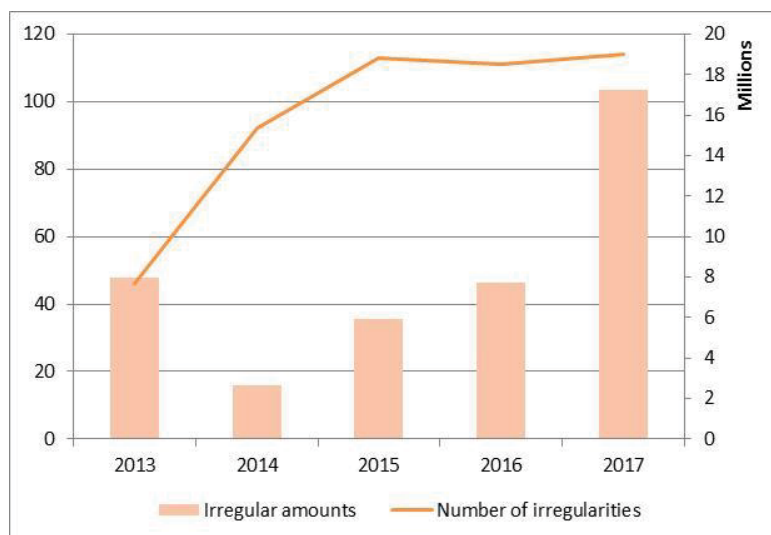
#### 5.4.2. Instrument for Pre-Accession (IPA I)

Generally it can be said that the trend of IPA reporting (financial framework 2007-13) has begun to develop in a stable upward curve which means a continuous increase in the number of irregularities reported and involved amounts since 2014. The increasing trend can be considered within the norm as the reporting of irregularities of IPA has only begun in recent years.

Table PA2 details the underlining data and shows the evolution of reporting of all the irregularities (reported and not reported as fraudulent) since 2013. The number of irregularities reported as non fraudulent jumped to a new level in 2014 and then experienced limited fluctuations in the following years. The financial amounts involved did not mirror this trend. In 2017, they doubled with respect to 2016 and reached the peak since 2013. Similarly to what happened for the irregularities not reported as fraudulent, the number of irregularities reported as fraudulent shifted upwards, but in 2015. The financial amounts experienced fluctuations that did not follow changes in numbers. Nevertheless, in 2017, the highest financial amounts were recorded (since 2013).



Year	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2013	38	6,724,296	8	1,236,327	46	7,960,623
2014	86	2,542,871	6	95,051	92	2,637,922
2015	94	4,099,045	19	1,814,570	113	5,913,615
2016	89	7,053,585	22	658,342	111	7,711,926
2017	97	14,166,549	17	3,094,814	114	17,261,363
<b>TOTAL</b>	<b>404</b>	<b>34,586,347</b>	<b>72</b>	<b>6,899,103</b>	<b>476</b>	<b>41,485,449</b>



During the last five years, the highest number of reported irregularities was communicated by Turkey, Bulgaria and Croatia. Most of the financial amounts (89%) were involved in irregularities reported by Turkey. The highest number of irregularities was recorded in relation to Cross-Border Cooperation (38% of the total number) and IPARD (33%). IPARD recorded by far the highest financial amounts (55% of the total).

## 5.5. Specific analysis – Financial year 2017

### 5.5.1. Pre-Accession Assistance (PAA)

In 2017, only one irregularity was reported as fraudulent by Romania, as shown in Table PA3. Turkey reported 4 irregularities as non fraudulent.

Country	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
TR	4	121,749	0	0	4	121,749
RO	0	0	1	0	1	0
<b>TOTAL</b>	<b>4</b>	<b>121,749</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>121,749</b>

All cases reported as non fraudulent concerned the Pre-accession financial assistance for Turkey. The irregularity reported as fraudulent cases concerned PHARE.

Fund	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
TIPAA	4	121,749	0	0	4	121,749
PHARE	0	0	1	0	1	0
<b>TOTAL</b>	<b>4</b>	<b>121,749</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>121,749</b>

### 5.5.2. Instrument for Pre-Accession (IPA)

In relation to IPA I (2007-13), there were 17 irregularities reported as fraudulent in 2017, for an overall financial impact of more than EUR 3 million. Tables PA5 and PA6 show, respectively, the breakdown per country and per component.

*Table PA5 - Reported irregularities per country (IPA), 2017*

Country	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
BG	15	20,932			15	20,932
HR	10	1,368,047			10	1,368,047
ME	9	0			9	0
MK	1	27,950			1	27,950
RO			1	649,636	1	649,636
RS			1	22,388	1	22,388
TR	62	12,749,621	15	2,422,790	77	15,172,411
<b>TOTAL</b>	<b>97</b>	<b>14,166,549</b>	<b>17</b>	<b>3,094,814</b>	<b>114</b>	<b>17,261,363</b>

In 2017 Turkey was the country reporting the highest number of irregularities and the related financial amounts. Concerning the irregularities reported as fraudulent, 15 out of these 17 cases were notified by Turkey.

Rural Development programmes accounted for the highest number of cases (49%) and, even more, financial amounts involved (72%).

*Table PA6 - Reported irregularities per component (IPA), 2017*

FUND	Irregularities not reported as fraudulent		Irregularities reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
CBC	19	25,072	2	672,024	21	697,096
HRD	11	1,507,334	4	136,244	15	1,643,578
IPARD	46	10,132,751	10	2,286,546	56	12,419,297
REGD	9	0	1	0	10	0
TAIB	12	2,501,393			12	2,501,393
<b>TOTAL</b>	<b>97</b>	<b>14,166,549</b>	<b>17</b>	<b>3,094,814</b>	<b>114</b>	<b>17,261,363</b>

Concerning the *modus operandi*, the most frequent category of irregularity refers to 'public procurement' (not in combination with other categories) and most of these cases are not reported as fraudulent. When the focus move on the irregularities reported as fraudulent, the most frequent category is 'documentary proof': in all these cases, the 'false and/or falsified documents' type of violation is mentioned.

For the programming period 2014-2020, no specific analysis is presented, because only one case has been reported so far.

## 6. DIRECT MANAGEMENT

### 6.1. Introduction

This chapter contains a descriptive analysis of the data on recovery orders issued by Commission services in relation to expenditures managed under ‘direct management’ mode, which is one of the three implementation modes the Commission can use to implement the budget.

According to the Financial Regulation<sup>27</sup>, ‘direct management’ means that the Commission implements the budget by its departments, including its staff in the Union Delegations under the authority of their respective Head of Delegation, or through executive agencies.

For financial year 2017, a total of EUR 19.65 billion<sup>28</sup> has been effectively disbursed under the ‘direct management’ mode. Table DM1 presents the actual payments made in financial year 2017 for the twenty policy areas corresponding to 97.6% of the overall operational payments made under ‘direct management’.

*Table DM1 – Payments made in financial year 2017 per policy area*

Policy area	Payments 2017	
	EUR million	%
Communication	78	0.39
Communications networks, content and technology	1 767	8.78
Direct research	98	0.49
Economic and financial affairs	2 575	12.79
Education and culture	1 267	6.29
Employment, social affairs and inclusion	134	0.66
Energy	661	3.28
Environment	276	1.37
Foreign policy instruments	236	1.17
Health and food safety	298	1.48
Humanitarian aid and civil protection	797	3.96
Internal market, industry, entrepreneurship and SMEs	450	2.24
International cooperation and development	1 752	8.70
Justice and consumers	109	0.54
Maritime affairs and fisheries	201	1.00
Migration and home affairs	615	3.05
Mobility and transport	1 711	8.50
Neighbourhood and enlargement negotiations	1 692	8.40
Research and innovation	4 834	24.01
Taxation and customs union	102	0.51
<b>Sub total of 20 policy areas</b>	<b>19 653</b>	<b>97.62</b>
<i>Other policy areas</i>	478	2.38
<b>TOTAL</b>	<b>20 131</b>	<b>100.00</b>

### 6.2. General analysis

In 2017, for the twenty policy areas, the Commission services registered 1650 recovery items<sup>29</sup> in ABAC that were qualified as irregularities for a total financial value EUR 71.48 million. Among these recovery items, 65 have been reported as fraudulent, involving EUR 7.33 million irregular amounts.

<sup>27</sup> The Financial Regulation provides for three types of management, one of them is the direct management mode. In accordance with the European Parliament and the Council Regulation (EU, Euratom) No 2015/1929 and Commission Delegated Regulation (EU) No 2015/2462.

<sup>28</sup> Own calculation based on ABAC data for the twenty policy areas representing 97.6% of operational payments under the direct management mode, excluding administrative expenditure.

<sup>29</sup> Recovery items mean ‘recovery context’ elements in ABAC. There can be more recovery context elements associated to one recovery order issued.

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

#### 6.2.1. Five year analysis 2013-2017

The below analysis gives an overview of recovery data recorded in the ABAC system in the last five years. From a purely statistical point of view, it can be said that between 2013 and 2017, the average number of recovery items qualified as ‘irregularities reported as fraudulent’<sup>30</sup> was 41. 2014 and 2017 are years where more such recovery items were registered with higher corresponding recovery amounts. The ratio between the amounts related to ‘irregularities reported as fraudulent’ and relative expenditure<sup>31</sup> is very small, it remains close to zero (0.027%) in the given five year period. This ratio has been stable for many years now. Figures are presented in Table DM2 below.

*Table DM2 – Irregularities reported as fraudulent and related amounts, financial years 2013-2017*

Year	Payments	Irregularities reported as fraudulent		Irregular amounts/ Payments
	EUR million	EUR million	N	%
2013	14 641	2.71	22	0.018
2014	12 055	4.06	61	0.034
2015	16 015	1.35	14	0.008
2016	18 469	6.09	44	0.033
2017	19 653	7.33	65	0.037
<b>TOTAL</b>	<b>80 833</b>	<b>21.54</b>	<b>206</b>	<b>0.027</b>

With regard to ‘irregularities not reported as fraudulent’ the average number of recovery items registered per year is 1575. The figure for 2017 is exactly in line with this average, as it is demonstrated by table DM3 below.

*Table DM3 – Irregularities not reported as fraudulent and related amounts, financial years 2013-2017*

Year	Payments	Irregularities not reported as fraudulent		Irregular amounts/ Payments
	EUR million	EUR million	N	%
2013	14 641	53.07	989	0.363
2014	12 055	89.74	1701	0.744
2015	16 015	117.96	1958	0.737
2016	18 469	71.09	1642	0.385
2017	19 653	64.15	1585	0.326
<b>TOTAL</b>	<b>80 833</b>	<b>396.02</b>	<b>7875</b>	<b>0.490</b>

Between 2013 and 2017, there were all together 7875 registered recovery items qualified as ‘irregularities not reported as fraudulent’ with the aggregate recovery amount of EUR 396.02 million.

<sup>30</sup> ‘Irregularities reported as fraudulent’ are cases of recovery items qualified in the ABAC system as ‘OLAF notified’.

<sup>31</sup> Relative expenditure means that for the calculation only the effective operational payments related to the twenty policy areas are taken into account.

The ratio between the aggregate irregular amounts corresponding to the recovery items (classified as ‘irregularities not reported as fraudulent’ between 2013 and 2017) and the reference figure of the related expenditure is about half a percent (0.490%). This ratio has been stable for many years now.

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

### 6.3. Specific analysis

#### 6.3.1. Recoveries according policy areas

Table DM4 provides a picture of irregularity statistics with a breakdown of the twenty policy areas for year 2017.

*Table DM4 – Irregularities reported by policy areas and related amounts, 2017*

Policy area	Payments 2017	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	EUR million	N	EUR million	N
Communication	78	0.00	0	0.00	0
Communications networks, content and technology	1 767	15.32	300	3.84	38
Direct research	98	0.00	0	0.00	0
Economic and financial affairs	2 575	0.00	0	0.00	0
Education and culture	1 267	3.04	129	0.59	7
Employment, social affairs and inclusion	134	0.16	11	0.00	0
Energy	661	1.23	45	0.00	0
Environment	276	0.14	17	0.00	0
Foreign policy instruments	236	5.23	69	0.25	4
Health and food safety	298	0.94	20	0.00	0
Humanitarian aid and civil protection	797	4.42	138	0.32	1
Internal market, industry, entrepreneurship and SMEs	450	3.29	54	0.00	0
International cooperation and development	1 752	3.97	118	0.77	5
Justice and consumers	109	0.7	32	0.00	0
Maritime affairs and fisheries	201	0.32	8	0.00	0
Migration and home affairs	615	1.09	43	0.00	0
Mobility and transport	1 711	4.78	32	1.03	1
Neighbourhood and enlargement negotiations	1 692	3.13	66	0.00	1
Research and innovation	4 834	16.37	487	0.52	8
Taxation and customs union	102	0.01	16	0.00	0
<b>TOTAL</b>	<b>19 653</b>	<b>64.15</b>	<b>1 585</b>	<b>7.33</b>	<b>65</b>

In the financial year 2017, the highest numbers of recovery items qualified as ‘irregularities not reported as fraudulent’ were recorded in the ‘Research and innovation’ budget area (487). It was also this policy field where the highest irregular amounts were registered (EUR 16.37 million). It was followed by ‘Communications networks, content and technology’ with the second highest number of recovery items (300) and related financial amount (EUR 15.32 million). These two policy areas account for almost half of the overall irregular recovery amounts for the year 2017 (49.40%). They are followed by the next policy areas: ‘Foreign Policy Instruments’ (EUR 5.23 million), ‘Mobility and transport’ (EUR 4.78 million) and ‘Humanitarian aid and civil protection’ (EUR 4.42 million). These three policy areas account for another 22.49% of the total irregular amounts recovered.

Regarding ‘irregularities reported as fraudulent’, there were 65 recovery items registered. Over the half of them concerned budget area ‘Communications networks, content and technology’ (38 items), followed by ‘Research and innovation’ (8 items), ‘Education and Culture’ (7 items) and budget areas.

The total relate irregular amounts were EUR 7.33 million, out of which policy area ‘Communications networks, content and technology’ alone counts for more than half (EUR 3.84 million).

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

*Table DM5 – Irregularities reported by policy areas and related amounts, financial years 2013-2017*

Policy area	Payments 2013-2017	Irregularities not reported as fraudulent	Irregular amounts/ Payments	Irregularities reported as fraudulent	Irregular amounts/ Payments
	EUR million	EUR million	%	EUR million	%
Communication	503	0.23	0.046	0.01	0.001
Communications networks, content and technology	7 904	61.95	0.784	11.88	0.150
Direct research	534	0.24	0.044	0.00	0.000
Economic and financial affairs	3 820	0.04	0.001	0.00	0.000
Education and culture	6 356	21.56	0.339	1.69	0.027
Employment, Social Affairs and Inclusion	616	1.96	0.317	0.00	0.000
Energy	3 074	25.35	0.825	0.00	0.000
Environment	1 343	10.21	0.761	0.12	0.009
Foreign Policy Instruments	2 633	23.48	0.892	0.71	0.027
Health and food safety	1 442	2.52	0.175	0.00	0.000
Humanitarian Aid and Civil Protection	3 636	10.66	0.293	0.32	0.009
Internal market, industry, entrepreneurship and SMEs	2 588	13.90	0.537	1.08	0.042
International cooperation and development	9 499	29.69	0.313	1.79	0.019
Justice and consumers	471	3.20	0.679	0.00	0.000
Maritime affairs and fisheries	958	1.80	0.188	0.00	0.000
Migration and home affairs	1 834	6.61	0.361	0.09	0.005
Mobility and transport	6 683	85.01	1.272	1.12	0.017
Neighbourhood and enlargement negotiations	4 943	19.90	0.402	0.27	0.006
Research and Innovation	21 545	77.64	0.360	2.47	0.011
Taxation and customs union	450	0.07	0.016	0.00	0.000
<b>TOTAL</b>	<b>80 833</b>	<b>396.02</b>	<b>0.49</b>	<b>21.54</b>	<b>0.027</b>

Over a five year period, it is also in ‘Communications networks, content and technology’ policy field, where the highest aggregate recovery amounts (EUR 11.88 million) were recorded in relation to ‘irregularities reported as fraudulent’ Representing more than half (55.15%) of the total amounts. It is followed by policy areas ‘Research and innovation’ (EUR 2.47 million), ‘International Cooperation and Development’ (EUR 1.79 million), and ‘Education and culture’ (EUR 1.69 million), yet with much smaller amounts.

Regarding ‘irregularities not reported as fraudulent’, the highest aggregate recovery amounts were recorded in the policy area of ‘Mobility and transport’ during the last five years (EUR 85.01 million). It is followed by ‘Research and innovation’ (EUR 77.64 million) and then by ‘Communications networks, content and technology’ (EUR 61.95 million) policy fields. These three policy areas account for about one third (32.27%) of the total recovery amounts related to ‘irregularities not reported as fraudulent’ over the past five years. Another one third (30.30%) of the aggregate recovery amounts were recorded in relation to policy fields ‘International Cooperation and Development’, ‘Energy’, ‘Foreign Policy Instruments’, ‘Education and culture’, and ‘Neighbourhood and enlargement negotiations’. However, compared to the overall payments made during the last five years for the twenty policy fields, the irregularity rate remains very low, on average 0.490%.

### 6.3.2. Recoveries according to legal entity residence

87.0% of the total number of recovery items and 88.7% if the corresponding recovery amounts qualified as ‘irregularities not reported as fraudulent’ concerned legal entities that are resident of the European Union. It should be noted however, that the residence of the legal entity is not necessarily the same as that of the main beneficiary. Nevertheless, in 84.3% of these irregularities and 86.5% of the corresponding amounts, the main beneficiary was also an EU Member State. In case of ‘irregularities reported as fraudulent’, these ratios are somewhat higher: 93.7% of the total number of recovery items and 95.2% if the corresponding recovery amounts concerned a legal entity residing in an EU country, and in

82.9% of these cases and 86.8% of the amounts concerned a final beneficiary that is also resident in an EU country.

*Table DM6 – Recoveries per country of residence of the legal entity, 2013-2017*

LE Country name	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	N	EUR million	N
Austria	4.25	128	0.00	0
Belgium	27.3	634	0.56	10
Bulgaria	1.03	60	0.00	0
Croatia	3.21	48	0.67	2
Cyprus	2.29	37	0.00	1
Czech Republic	5.80	65	0.52	7
Denmark	8.80	146	0.00	0
Estonia	1.47	36	0.00	0
Finland	3.21	135	0.26	1
France	24.73	728	2.22	38
Germany	34.43	743	1.39	14
Greece	12.90	266	1.09	6
Hungary	2.48	92	1.02	15
Ireland	4.26	102	0.09	2
Italy	45.53	679	7.41	29
Latvia	0.17	26	0.00	0
Lithuania	0.51	37	0.00	0
Luxembourg	1.74	29	0.00	0
Malta	1.45	23	0.00	0
Netherlands	31.47	805	0.84	6
Poland	3.42	84	0.06	1
Portugal	35.02	114	1.02	6
Romania	9.18	79	0.17	4
Slovakia	0.64	23	0.49	3
Slovenia	1.57	37	0.00	0
Spain	23.76	514	1.63	39
Sweden	16.01	216	0.25	3
United Kingdom	44.73	967	0.80	6
<b>Grand Total</b>	<b>351.35</b>	<b>6 853</b>	<b>20.51</b>	<b>193</b>
<i>Total other countries</i>	<i>44.67</i>	<i>1 022</i>	<i>1.04</i>	<i>13</i>
<b>Grand Total</b>	<b>396.02</b>	<b>7 875</b>	<b>21.54</b>	<b>206</b>

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

### 6.3.3. Method of detection

For each recovery item, the Commission service issuing the recovery order has to indicate how the irregularity has been detected. Six different categories are pre-defined for this purpose, two of which fall under the direct responsibility of the European Commission: ‘Ex-ante controls’ and ‘Ex-post controls’. Table DM7 gives a breakdown of the recoveries by source of detection and by qualification in the last five years.

*Table DM7 – Irregularities reported by source of detection and by qualification, 2013-2017*

Source of detection 2013-2017	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	N	EUR million	N
Ex-ante controls	129.80	1 809	0.71	8
Ex-post controls	186.53	4 675	5.83	71
Other controls (ECA)	15.72	76	0.02	1
Other controls (Member States)	3.85	13	0.00	0
Other controls (OLAF)	4.17	26	14.50	118
Other controls (To identify) and n.a.	55.95	1 276	0.49	8
<b>TOTAL</b>	<b>396.02</b>	<b>7 875</b>	<b>21.54</b>	<b>206</b>

Regarding the ‘irregularities reported as fraudulent’, ‘OLAF’ has been marked as the source of detection in relation to 57.3% of recovery items corresponding to 67.3% of total recovery amounts. In 2017, 78.5% of such cases were detected by ‘OLAF’ together with 79.6% of related amounts. Meanwhile ‘Ex-post controls’ was the source of detection of another 34.5% of this type of recovery items corresponding to another 27.0% of recovery amounts.

The 82.3% of ‘irregularities not reported as fraudulent’ were detected through Commission controls. There is an increasing tendency over the past five years both in terms of number and of financial value of cases detected due to the effective *ex-ante* and *ex-post* controls. In 2017, 93.9% of these recovery items were detected by such controls involving 88.8% of the corresponding irregular amounts.

#### 6.3.4. Types of irregularity

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

Table DM8 – Types of irregularity, 2013-2017

Type of irregularity 2013-2017	Irregularities not reported as fraudulent (frequency %)		Irregularities reported as fraudulent (frequency %)	
	Amount	Number	Amount	Number
Amount ineligible	53.2	73,0	66.6	53.3
Beneficiary	2.6	2.2	5.4	4.6
Documents missing	9.3	9.5	10.2	22.9
Double funding	6.9	1.2	3.5	5.0
Profit	0.4	0.4	3.6	2.9
Public procurement rules not respected	6.8	2.5	1.5	2.1
Under-performance / non-performance	19.4	9.1	6.5	8.3
(blank)	1.4	2.1	2.7	0.8

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

#### 6.3.5. Recovery

Once a recovery order is issued, the beneficiary is requested to pay back the amount unduly received or the amount is offset from remaining payments for the beneficiary.

For the recovery orders issued between 2013 and 2017, 63.26% of the total irregular amounts have already been recovered. This percentage is exactly the same as for period 2012-2016. Yet, there are differences between the recovery rates depending on the qualification. The recovery rate for ‘irregularities reported as fraudulent’ (34.49%) remains well below the one calculated for ‘irregularities not reported as fraudulent’ (64.82%).



## COUNTRY FACTSHEETS

### Belgium - Belgique/België

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	26	15,502,626	189	14,579,103	1.14%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			13	259,137		0.04%
Rural Development (RD)			4	53,803		0.14%
<b>TOTAL</b>			<b>17</b>	<b>312,940</b>		<b>0.05%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	390,000	40	904,262	0.01%	0.03%
Rural Development (RD)			25	541,378		0.25%
SA/RD			8	173,542		
<b>TOTAL</b>	<b>1</b>	<b>390,000</b>	<b>73</b>	<b>1,619,182</b>	<b>0.01%</b>	<b>0.05%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	10	1	11	9%
Irregularities reported as fraudulent 2013-17		1	1	100%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017			50	6,070,332		
ERDF			10	3,908,289		
ESF			40	2,162,043		
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>437,725</b>	<b>392</b>	<b>24,847,359</b>	<b>0.02</b>	<b>1.24</b>
ERDF	3	1,936	137	11,733,115	0.00	1.26
ESF	3	435,789	255	13,114,244	0.04	1.26

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	3	0	3	0%
Irregularities reported as fraudulent 2013-17	7	0	7	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Bulgaria - България

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	19	1,192,724	1	253,408	1.52%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)	16	3,852,238	121	10,944,825	1.96%	5.58%
SA/RD			3	266,213		
<b>TOTAL</b>	<b>16</b>	<b>3,852,238</b>	<b>124</b>	<b>11,211,038</b>	<b>0.38%</b>	<b>1.11%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	23	1,005,856	2	1,164,002	0.03%	0.03%
Rural Development (RD)	73	15,437,404	223	22,513,707	0.94%	1.37%
SA/RD	63	1,809,402	4	277,550		
<b>TOTAL</b>	<b>159</b>	<b>18,252,662</b>	<b>229</b>	<b>23,955,259</b>	<b>0.36%</b>	<b>0.48%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	162	59	221	27%
Irregularities reported as fraudulent 2013-17	127	32	159	20%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	1	64,425	71	29,311,250		
<i>Cohesion fund</i>			20	23,733,411		
<i>ERDF</i>			31	3,586,635		
<i>ESF</i>	1	64,425	5	550,307		
<i>EFF</i>			15	1,440,897		
<b>Programming Period 2007-13 - cumulative</b>	<b>37</b>	<b>7,758,773</b>	<b>701</b>	<b>146,719,250</b>	<b>0.12</b>	<b>2.32</b>
<i>Cohesion fund</i>	1	5,019,507	182	80,432,044	0.23	3.71
<i>ERDF</i>	10	790,358	381	56,193,946	0.03	1.89
<i>ESF</i>	22	1,590,993	93	7,887,672	0.14	0.70
<i>EFF</i>	4	357,915	45	2,205,588	0.59	3.66

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	24	2	26	8%
Irregularities reported as fraudulent 2013-17	15	0	15	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Czech Republic - Česká republika

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated			89	8,608,026	2.58%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			7	132,877		0.02%
Rural Development (RD)	8	494,086	18	950,135	0.19%	0.37%
SA/RD						
<b>TOTAL</b>	<b>8</b>	<b>494,086</b>	<b>25</b>	<b>1,083,012</b>	<b>0.04%</b>	<b>0.10%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	11	223,713	26	1,339,954	0.01%	0.03%
Rural Development (RD)	48	4,350,401	214	11,605,552	0.30%	0.80%
SA/RD						
<b>TOTAL</b>	<b>59</b>	<b>4,574,114</b>	<b>240</b>	<b>12,945,506</b>	<b>0.08%</b>	<b>0.22%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	23	1	24	4%
Irregularities reported as fraudulent 2013-17	50	9	59	15%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>30</b>	<b>6,311,266</b>	<b>274</b>	<b>60,156,132</b>		
<i>Cohesion fund</i>	8	870,686	47	7,570,204		
<i>ERDF</i>	19	5,337,641	198	50,617,662		
<i>ESF</i>	3	102,939	22	1,796,770		
<i>EFF</i>			7	171,496		
<b>Programming Period 2007-13 - cumulative</b>	<b>171</b>	<b>221,615,505</b>	<b>3,723</b>	<b>1,257,334,740</b>	<b>0.88</b>	<b>5.00</b>
<i>Cohesion fund</i>	17	12,536,407	344	117,211,064	0.15	1.36
<i>ERDF</i>	112	205,815,658	2,042	1,035,676,356	1.59	7.98
<i>ESF</i>	42	3,263,440	1,308	102,918,164	0.09	2.95
<i>EFF</i>			29	1,529,156		6.26

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	44	4	48	8%
Irregularities reported as fraudulent 2013-17	140	7	147	5%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Denmark - Danmark

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	1	87,967	55	2,038,865	0.50%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	8,119	5	208,174	0.00%	0.02%
Rural Development (RD)	1	0	4	97,323	0.00%	0.10%
SA/RD						
<b>TOTAL</b>	<b>3</b>	<b>8,119</b>	<b>9</b>	<b>305,497</b>	<b>0.00%</b>	<b>0.03%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	72	2,517,789	40	8,679,285	0.06%	0.19%
Rural Development (RD)	5	64,909	47	3,090,719	0.02%	0.73%
SA/RD	1	0	8	656,381		
<b>TOTAL</b>	<b>78</b>	<b>2,582,698</b>	<b>95</b>	<b>12,426,385</b>	<b>0.05%</b>	<b>0.25%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	118	0	118	0%
Irregularities reported as fraudulent 2013-17	76	2	78	3%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	1	32,352	2	392,790		
ERDF	1	32,352	1	22,441		
ESF						
EFF			1	370,349		
Programming Period 2007-13 - cumulative	2	234,251	51	2,559,868	0.04	0.41
ERDF	2	234,251	19	778,032	0.09	0.31
ESF			15	523,079		0.21
EFF			17	1,258,757		1.03

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2013-17	1	1	2	50%

## Germany - Deutschland

1. Traditional Own Resources						
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	46	6,586,501	1,617	85,727,353	1.80%	
2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	281,884	26	993,280	0.01%	0.02%
Rural Development (RD)	4	674,003	25	1,161,417	0.07%	0.12%
SA/RD	1	25,314	10	283,228		
<b>TOTAL</b>	<b>6</b>	<b>981,201</b>	<b>61</b>	<b>2,437,925</b>	<b>0.02%</b>	<b>0.04%</b>
Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	7	440,734	113	4,483,747	0.00%	0.02%
Rural Development (RD)	12	1,449,487	238	10,202,322	0.03%	0.21%
SA/RD	1	25,314	25	841,366		
<b>TOTAL</b>	<b>20</b>	<b>1,915,535</b>	<b>376</b>	<b>15,527,435</b>	<b>0.01%</b>	<b>0.05%</b>
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13		12	4	16	25%	
Irregularities reported as fraudulent 2013-17		15	5	20	25%	
3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	15	1,607,859	78	10,435,772		
ERDF	4	1,364,455	63	9,867,922		
ESF	11	243,404	12	311,666		
EFF			3	256,184		
<b>Programming Period 2007-13 - cumulative</b>	<b>230</b>	<b>33,387,260</b>	<b>1,322</b>	<b>124,637,520</b>	<b>0.14</b>	<b>0.51</b>
ERDF	43	13,514,633	892	97,678,081	0.09	0.63
ESF	186	19,858,507	424	26,168,430	0.22	0.29
EFF	1	14,120	6	791,009	0.01	0.73
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13*		176	127	303	42%	
Irregularities reported as fraudulent 2013-17		173	18	191	9%	

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Estonia - Eesti

1. Traditional Own Resources						
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	4	310,930	1	11,149	0.85%	
2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)	8	2,199,728	37	1,812,973	2.21%	1.82%
SA/RD						
<b>TOTAL</b>	<b>8</b>	<b>2,199,728</b>	<b>37</b>	<b>1,812,973</b>	<b>0.98%</b>	<b>0.81%</b>
Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)	24	9,308,040	169	6,057,824	2.39%	1.55%
SA/RD						
<b>TOTAL</b>	<b>24</b>	<b>9,308,040</b>	<b>169</b>	<b>6,057,824</b>	<b>0.98%</b>	<b>0.64%</b>
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13		17	6	23	26%	
Irregularities reported as fraudulent 2013-17		19	5	24	21%	
3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	2	3,960,272	7	178,302		
<i>Cohesion fund</i>			1	25,438		
<i>ERDF</i>	1	3,880,893	2	23,573		
<i>ESF</i>			1	32,000		
<i>EFF</i>	1	79,379	3	97,291		
<b>Programming Period 2007-13 - cumulative</b>	<b>21</b>	<b>11,184,526</b>	<b>337</b>	<b>33,917,589</b>	<b>0.34</b>	<b>1.02</b>
<i>Cohesion fund</i>	5	2,691,616	17	2,666,543	0.25	0.24
<i>ERDF</i>	11	7,966,702	254	28,806,842	0.45	1.63
<i>ESF</i>	3	252,912	46	1,286,159	0.07	0.35
<i>EFF</i>	2	273,296	20	1,158,045	0.33	1.39
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13*		5	5	10	50%	
Irregularities reported as fraudulent 2013-17		17	3	20	15%	

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Ireland - Éire

1. Traditional Own Resources						
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	1	33,992	31	2,947,035	0.84%	
2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	12,492	2	36,022	0.00%	0.00%
Rural Development (RD)	1	2,750	16	766,834	0.00%	0.30%
SA/RD						
<b>TOTAL</b>	<b>2</b>	<b>15,242</b>	<b>18</b>	<b>802,856</b>	<b>0.00%</b>	<b>0.05%</b>
Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	12,492	257	5,622,067	0.00%	0.09%
Rural Development (RD)	33	376,187	127	4,865,168	0.03%	0.37%
SA/RD			18	306,074		
<b>TOTAL</b>	<b>34</b>	<b>388,679</b>	<b>402</b>	<b>10,793,309</b>	<b>0.01%</b>	<b>0.14%</b>
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13		4		4	0%	
Irregularities reported as fraudulent 2013-17		31	3	34	9%	
3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017			44	3,299,833		
ERDF			31	1,635,228		
ESF			13	1,664,605		
EFF						
<b>Programming Period 2007-13 - cumulative</b>	<b>2</b>	<b>15,672</b>	<b>270</b>	<b>16,257,085</b>	<b>0.00</b>	<b>2.10</b>
ERDF			95	4,107,230		1.15
ESF	2	15,672	165	12,013,395	0.00	3.20
EFF			10	136,460		0.34
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13*		3		3	0%	

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

Greece - Ελλάδα

1. Traditional Own Resources						
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	31	14,131,439	10	274,902	7.17%	
2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			50	874,453		0.04%
Rural Development (RD)	2	26,628	67	829,257	0.00%	0.12%
SA/RD			1	833,632		
<b>TOTAL</b>	<b>2</b>	<b>26,628</b>	<b>118</b>	<b>2,537,342</b>	<b>0.00%</b>	<b>0.09%</b>
Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	18	1,181,848	93	3,052,969	0.01%	0.03%
Rural Development (RD)	10	369,247	359	6,444,815	0.01%	0.25%
SA/RD	3	679,230	8	39,520,862		
<b>TOTAL</b>	<b>31</b>	<b>2,230,325</b>	<b>460</b>	<b>49,018,646</b>	<b>0.02%</b>	<b>0.36%</b>
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13		26	1	27	4%	
Irregularities reported as fraudulent 2013-17		30	1	31	3%	
3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	10	1,343,670	497	269,564,517		
<i>Cohesion fund</i>			82	101,337,941		
<i>ERDF</i>	9	1,303,490	280	142,985,196		
<i>ESF</i>	1	40,180	132	25,073,449		
<i>EFF</i>			3	167,931		
<b>Programming Period 2007-13 - cumulative</b>	<b>60</b>	<b>13,729,274</b>	<b>1,982</b>	<b>833,207,034</b>	<b>0.07</b>	<b>4.09</b>
<i>Cohesion fund</i>			180	158,830,409		4.30
<i>ERDF</i>	50	13,468,564	1,427	605,520,436	0.11	4.98
<i>ESF</i>	10	260,710	356	64,318,082	0.01	1.47
<i>EFF</i>			19	4,538,107		3.09
Ratio of established fraud		Suspected fraud	Established fraud	TOTAL	REF	
		N	N	N	%	
Irregularities reported as fraudulent 2009-13*		22	7	29	24%	
Irregularities reported as fraudulent 2013-17		66	7	73	10%	

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.



## Spain - España

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	34	3,911,652	230	78,825,931	4.31%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	129,590	190	9,606,763	0.00%	0.17%
Rural Development (RD)	3	168,712	145	7,826,554	0.02%	1.11%
SA/RD						
<b>TOTAL</b>	<b>5</b>	<b>298,302</b>	<b>335</b>	<b>17,433,317</b>	<b>0.00%</b>	<b>0.28%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	26	1,382,176	819	38,828,009	0.00%	0.14%
Rural Development (RD)	29	1,485,982	953	69,998,620	0.03%	1.53%
SA/RD						
<b>TOTAL</b>	<b>55</b>	<b>2,868,158</b>	<b>1772</b>	<b>108,826,629</b>	<b>0.01%</b>	<b>0.33%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	21	1	22	5%
Irregularities reported as fraudulent 2013-17	55		55	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	20	410,096	1,115	366,925,910		
<i>Cohesion fund</i>			129	41,115,644		
<i>ERDF</i>	19	381,056	918	316,915,319		
<i>ESF</i>	1	29,040	53	7,165,916		
<i>EFF</i>			15	1,729,031		
<b>Programming Period 2007-13 - cumulative</b>	<b>131</b>	<b>17,534,266</b>	<b>9,712</b>	<b>1,638,905,069</b>	<b>0.05</b>	<b>4.86</b>
<i>Cohesion fund</i>	2	95,639	338	90,679,246	0.00	2.69
<i>ERDF</i>	124	15,340,636	8,630	1,473,635,806	0.07	6.76
<i>ESF</i>	4	362,884	551	52,891,303	0.00	0.69
<i>EFF</i>	1	1,735,107	193	21,698,714	0.19	2.40

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	14	2	16	13%
Irregularities reported as fraudulent 2013-17	130		130	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## France

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	98	13,221,533	200	16,578,121	1.43%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	8	1,224,628	66	3,264,486	0.02%	0.04%
Rural Development (RD)	1	101,627	96	1,757,350	0.01%	0.10%
SA/RD						
<b>TOTAL</b>	<b>9</b>	<b>1,326,255</b>	<b>162</b>	<b>5,021,836</b>	<b>0.01%</b>	<b>0.05%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	57	29,342,550	413	54,403,371	0.07%	0.13%
Rural Development (RD)	7	1,015,585	419	8,205,302	0.02%	0.17%
SA/RD			2	11,914		
<b>TOTAL</b>	<b>64</b>	<b>30,358,135</b>	<b>834</b>	<b>62,620,587</b>	<b>0.07%</b>	<b>0.14%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	13		13	0%
Irregularities reported as fraudulent 2013-17	63	1	64	2%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017			26	4,008,636		
ERDF			26	4,008,636		
ESF						
EFF						
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>2,886,409</b>	<b>417</b>	<b>61,963,657</b>	<b>0.02</b>	<b>0.47</b>
ERDF	1	197,681	259	42,888,935	0.00	0.56
ESF	4	2,688,728	149	18,083,088	0.05	0.35
EFF	1		9	991,634		0.56

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	1	1	2	50%
Irregularities reported as fraudulent 2013-17	6		6	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Croatia - Hrvatska

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	8	852,915	7	262,098	1.96%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	135,153	11	151,925	0.06%	0.07%
Rural Development (RD)	1	222,895	17	359,775	0.15%	0.24%
SA/RD						
<b>TOTAL</b>	<b>2</b>	<b>358,047</b>	<b>28</b>	<b>511,700</b>	<b>0.10%</b>	<b>0.14%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	135,153	17	334,177	0.03%	0.07%
Rural Development (RD)	10	2,193,907	35	1,282,344	0.73%	0.43%
SA/RD			1	18,201		
<b>TOTAL</b>	<b>11</b>	<b>2,329,059</b>	<b>53</b>	<b>1,634,722</b>	<b>0.29%</b>	<b>0.21%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2013-17	8	3	11	27%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017			6	152,101		
ERDF			3	82,063		
ESF			2	48,439		
EFF			1	21,599		
<b>Programming Period 2007-13 - cumulative</b>	<b>3</b>	<b>2,184,460</b>	<b>15</b>	<b>2,467,797</b>	<b>0.31</b>	<b>0.35</b>
ERDF	1	2,138,592	11	2,377,191	0.65	0.72
ESF	2	45,868	3	69,007	0.05	0.07
EFF			1	21,599		0.27

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2013-17	4		4	0%

## Italy - Italia

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	20	1,036,186	119	12,024,057	0.57%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	28	978,814	419	25,444,323	0.02%	0.57%
Rural Development (RD)			108	14,505,028		1.84%
SA/RD	8	391,757	48	4,810,361		
<b>TOTAL</b>	<b>36</b>	<b>1,370,571</b>	<b>575</b>	<b>44,759,712</b>	<b>0.03%</b>	<b>0.86%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	179	28,915,934	1,241	87,041,323	0.13%	0.38%
Rural Development (RD)	65	5,214,339	818	49,530,222	0.10%	0.92%
SA/RD	27	4,247,820	171	15,422,945		
<b>TOTAL</b>	<b>271</b>	<b>38,378,093</b>	<b>2230</b>	<b>151,994,490</b>	<b>0.14%</b>	<b>0.54%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	280	10	290	3%
Irregularities reported as fraudulent 2013-17	259	12	271	4%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>3</b>	<b>703,086</b>	<b>551</b>	<b>85,133,618</b>		
ERDF	3	703,086	520	83,707,727		
ESF			31	1,425,891		
EFF						
Programming Period 2007-13 - cumulative	<b>83</b>	<b>104,250,575</b>	<b>1,620</b>	<b>404,978,892</b>	<b>0.40</b>	<b>1.55</b>
ERDF	47	93,327,765	1,424	383,114,757	0.48	1.99
ESF	12	2,031,801	180	20,433,512	0.03	0.32
EFF	24	8,891,009	16	1,430,623	2.55	0.41

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	315	16	331	5%
Irregularities reported as fraudulent 2013-17	86	3	89	3%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Cyprus - Κύπρος

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	118,402	1	10,564	0.48%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)						
SA/RD						
<b>TOTAL</b>						

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	81,332	19	939,181	0.03%	0.33%
Rural Development (RD)	4	170,890	25	719,607	0.18%	0.76%
SA/RD						
<b>TOTAL</b>	<b>6</b>	<b>252,222</b>	<b>44</b>	<b>1,658,788</b>	<b>0.07%</b>	<b>0.44%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2013-17	6		6	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	3	520,212	30	3,214,442		
<i>Cohesion fund</i>			8	1,568,017		
<i>ERDF</i>	1	451,617	16	1,107,555		
<i>ESF</i>	2	68,595	3	449,204		
<i>EFF</i>			3	89,666		
<b>Programming Period 2007-13 - cumulative</b>	<b>10</b>	<b>1,052,437</b>	<b>55</b>	<b>4,436,575</b>	<b>0.18</b>	<b>0.74</b>
<i>Cohesion fund</i>			9	1,583,683		0.78
<i>ERDF</i>	4	766,866	28	1,390,156	0.29	0.52
<i>ESF</i>	4	82,121	13	1,312,228	0.07	1.15
<i>EFF</i>	2	203,450	5	150,508	1.04	0.77

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	5	1	6	17%
Irregularities reported as fraudulent 2013-17	8	1	9	11%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Latvia - Latvija

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	6	257,710	4	196,843	1.06%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)	1	4,353	17	764,690	0.00%	0.47%
SA/RD			1	14,412		
<b>TOTAL</b>	<b>1</b>	<b>4,353</b>	<b>18</b>	<b>779,102</b>	<b>0.00%</b>	<b>0.20%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			4	82,751		0.01%
Rural Development (RD)	31	2,299,285	109	3,970,283	0.37%	0.63%
SA/RD			4	135,967		
<b>TOTAL</b>	<b>31</b>	<b>2,299,285</b>	<b>117</b>	<b>4,189,001</b>	<b>0.15%</b>	<b>0.28%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	5	2	7	29%
Irregularities reported as fraudulent 2013-17	25	6	31	19%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	3	7,141,851	28	3,664,831		
<i>Cohesion fund</i>	1	2,597,875	8	644,234		
<i>ERDF</i>	2	4,543,976	16	2,552,154		
<i>ESF</i>			1	10,006		
<i>EFF</i>			3	458,437		
<b>Programming Period 2007-13 - cumulative</b>	<b>67</b>	<b>37,152,942</b>	<b>485</b>	<b>104,965,626</b>	<b>0.83</b>	<b>2.35</b>
<i>Cohesion fund</i>	2	2,598,379	69	22,637,304	0.18	1.55
<i>ERDF</i>	56	34,243,270	372	75,237,638	1.50	3.29
<i>ESF</i>	8	127,497	33	5,868,007	0.02	1.01
<i>EFF</i>	1	183,796	11	1,222,677	0.15	0.98

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	26	6	32	19%
Irregularities reported as fraudulent 2013-17	53	8	61	13%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Lithuania - Lietuva

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	38	1,538,484	19	1,026,160	2.56%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	42,299	31	665,435	0.01%	0.15%
Rural Development (RD)	5	1,204,096	95	4,412,156	0.47%	1.73%
SA/RD			11	308,184		
<b>TOTAL</b>	<b>6</b>	<b>1,246,395</b>	<b>137</b>	<b>5,385,775</b>	<b>0.18%</b>	<b>0.77%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	42,299	137	2,699,918	0.00%	0.13%
Rural Development (RD)	38	9,290,847	486	41,163,587	0.85%	3.77%
SA/RD			23	525,332		
<b>TOTAL</b>	<b>39</b>	<b>9,333,146</b>	<b>646</b>	<b>44,388,837</b>	<b>0.30%</b>	<b>1.42%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	5		5	0%
Irregularities reported as fraudulent 2013-17	39		39	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	1	41,360	46	17,544,966		
<i>Cohesion fund</i>	1	41,360	36	14,540,343		
<i>ERDF</i>			7	2,778,432		
<i>ESF</i>			1	166,052		
<i>EFF</i>			2	60,139		
<b>Programming Period 2007-13 - cumulative</b>	<b>15</b>	<b>1,859,994</b>	<b>554</b>	<b>144,633,834</b>	<b>0.03</b>	<b>2.21</b>
<i>Cohesion fund</i>	5	773,507	189	101,840,213	0.04	4.65
<i>ERDF</i>	5	526,379	315	40,495,145	0.02	1.24
<i>ESF</i>	5	560,108	31	1,322,177	0.05	0.13
<i>EFF</i>			19	976,299		1.81

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	12		12	0%
Irregularities reported as fraudulent 2013-17	5	3	8	38%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Luxembourg

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated					

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)						
SA/RD	1	15,857				
<b>TOTAL</b>	<b>1</b>	<b>15,857</b>			<b>0.04%</b>	

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)						
SA/RD	2	267,908				
<b>TOTAL</b>	<b>2</b>	<b>267,908</b>			<b>0.13%</b>	

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	1		1	0%
Irregularities reported as fraudulent 2013-17	2		2	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017						
<i>ESF</i>						
<b>Programming Period 2007-13 - cumulative</b>			<b>8</b>	<b>210,788</b>		<b>0.42</b>
<i>ESF</i>			8	210,788		0.84

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13				
Irregularities reported as fraudulent 2013-17				



## Hungary - Magyarország

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	335,228	20	5,909,986	3.35%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	264,600	52	4,081,048	0.02%	0.31%
Rural Development (RD)	11	811,223	149	7,019,561	0.41%	3.57%
SA/RD			1	14,535		
<b>TOTAL</b>	<b>14</b>	<b>1,075,823</b>	<b>202</b>	<b>11,115,144</b>	<b>0.07%</b>	<b>0.74%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	34	6,408,854	264	14,259,537	0.10%	0.22%
Rural Development (RD)	227	13,626,554	854	42,100,943	0.70%	2.15%
SA/RD			1	14,535		
<b>TOTAL</b>	<b>261</b>	<b>20,035,408</b>	<b>1119</b>	<b>56,375,015</b>	<b>0.23%</b>	<b>0.66%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	63	7	70	10%
Irregularities reported as fraudulent 2013-17	251	10	261	4%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	6	1,479,560	149	27,217,704		
<i>Cohesion fund</i>			3	8,911,748		
<i>ERDF</i>	6	1,479,560	141	18,166,345		
<i>ESF</i>			1	13,293		
<i>EFF</i>			4	126,318		
<b>Programming Period 2007-13 - cumulative</b>	<b>85</b>	<b>8,278,844</b>	<b>1,557</b>	<b>247,490,671</b>	<b>0.04</b>	<b>1.07</b>
<i>Cohesion fund</i>	2	126,056	121	41,012,638	0.00	0.52
<i>ERDF</i>	71	7,027,404	1,211	175,505,944	0.06	1.49
<i>ESF</i>	12	1,125,384	214	30,383,999	0.03	0.89
<i>EFF</i>			11	588,090		1.70

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	9		9	0%
Irregularities reported as fraudulent 2013-17	80		80	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Malta

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	2	366,319			2.49%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			3	372,454		6.73%
Rural Development (RD)			10	560,446		25.82%
SA/RD						
<b>TOTAL</b>			<b>13</b>	<b>932,900</b>		<b>12.11%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			3	372,454		1.33%
Rural Development (RD)	6	175,628	12	617,532	0.46%	1.63%
SA/RD			6	109,516		
<b>TOTAL</b>	<b>6</b>	<b>175,628</b>	<b>21</b>	<b>1,099,502</b>	<b>0.27%</b>	<b>1.67%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	5		5	0%
Irregularities reported as fraudulent 2013-17	6		6	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	1	38,685	23	2,317,834		
<i>Cohesion fund</i>			7	312,072		
<i>ERDF</i>	1	38,685	12	1,860,179		
<i>ESF</i>			4	145,583		
<b>Programming Period 2007-13 - cumulative</b>	<b>16</b>	<b>305,510</b>	<b>80</b>	<b>15,797,734</b>	<b>0.04</b>	<b>1.95</b>
<i>Cohesion fund</i>			12	11,016,896		4.08
<i>ERDF</i>	16	305,510	48	4,216,267	0.07	1.00
<i>ESF</i>			20	564,571		0.50

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	14		14	0%
Irregularities reported as fraudulent 2013-17	16		16	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Netherlands - Nederland

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	8	2,800,617	442	78,000,552	2.62%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	5	150,577	14	991,752	0.02%	0.12%
Rural Development (RD)	1	33,289	31	490,200	0.06%	0.85%
SA/RD						
<b>TOTAL</b>	<b>6</b>	<b>183,866</b>	<b>45</b>	<b>1,481,952</b>	<b>0.02%</b>	<b>0.17%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	8	47,051,180	238	20,969,753	1.11%	0.49%
Rural Development (RD)	1	33,289	312	9,310,093	0.01%	2.45%
SA/RD			7	95,456		
<b>TOTAL</b>	<b>9</b>	<b>47,084,469</b>	<b>557</b>	<b>30,375,302</b>	<b>1.02%</b>	<b>0.66%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	5		5	0%
Irregularities reported as fraudulent 2013-17	6	3	9	33%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	3	421,614	63	4,809,513		
ERDF	2	209,943	20	2,225,993		
ESF	1	211,671	7	2,583,520		
EFF			36			
Programming Period 2007-13 - cumulative	15	4,324,984	428	37,453,627	0.26	2.24
ERDF	2	209,943	243	20,311,930	0.03	2.49
ESF	13	4,115,041	56	10,534,163	0.50	1.28
EFF			129	6,607,534		17.95

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	2		2	0%
Irregularities reported as fraudulent 2013-17	15		15	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Austria - Österreich

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	7	5,654,247	49	1,739,162	2.68%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	122,538	11	155,848	0.02%	0.02%
Rural Development (RD)			11	333,232		0.07%
SA/RD						
<b>TOTAL</b>	<b>1</b>	<b>122,538</b>	<b>22</b>	<b>489,080</b>	<b>0.01%</b>	<b>0.04%</b>
Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	5	165,567	32	589,968	0.00%	0.02%
Rural Development (RD)	1	14,444	55	1,259,952	0.00%	0.06%
SA/RD	1	11,252	3	70,928		
<b>TOTAL</b>	<b>7</b>	<b>191,263</b>	<b>90</b>	<b>1,920,848</b>	<b>0.00%</b>	<b>0.03%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	9	1	10	10%
Irregularities reported as fraudulent 2013-17	7		7	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017			3	1,591,177		
ERDF			3	1,591,177		
ESF						
EFF						
<b>Programming Period 2007-13 - cumulative</b>	<b>8</b>	<b>1,554,144</b>	<b>313</b>	<b>24,980,138</b>	<b>0.14</b>	<b>2.23</b>
ERDF	7	1,543,233	255	21,698,285	0.25	3.52
ESF	1	10,911	57	3,264,208	0.00	0.66
EFF			1	17,645		0.34

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	8	1	9	11%
Irregularities reported as fraudulent 2013-17	2		2	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Poland - Polska

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	52	2,526,634	46	1,453,150	0.48%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	43	35,036,292	16	3,883,663	1.01%	0.11%
Rural Development (RD)	36	2,918,005	115	2,644,430	0.51%	0.46%
SA/RD			2	25,799		
<b>TOTAL</b>	<b>79</b>	<b>37,954,297</b>	<b>133</b>	<b>6,553,892</b>	<b>0.94%</b>	<b>0.16%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	142	75,895,976	131	12,487,990	0.45%	0.07%
Rural Development (RD)	254	16,270,662	1,005	37,415,236	0.25%	0.57%
SA/RD	3	138,098	9	175,342		
<b>TOTAL</b>	<b>399</b>	<b>92,304,736</b>	<b>1145</b>	<b>50,078,568</b>	<b>0.39%</b>	<b>0.21%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	141	30	171	18%
Irregularities reported as fraudulent 2013-17	365	34	399	9%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>40</b>	<b>14,235,080</b>	<b>445</b>	<b>166,327,208</b>		
<i>Cohesion fund</i>			10	16,139,001		
<i>ERDF</i>	35	10,345,106	419	149,323,684		
<i>ESF</i>	2	35,724	3	162,170		
<i>EFF</i>	3	3,854,250	13	702,353		
<b>Programming Period 2007-13 - cumulative</b>	<b>312</b>	<b>409,592,341</b>	<b>5,327</b>	<b>1,290,156,567</b>	<b>0.62</b>	<b>1.94</b>
<i>Cohesion fund</i>	8	169,309,554	200	262,593,509	0.76	1.17
<i>ERDF</i>	243	227,241,014	4,547	978,013,284	0.68	2.93
<i>ESF</i>	55	7,738,972	491	42,028,985	0.08	0.42
<i>EFF</i>	6	5,302,801	89	7,520,789	0.74	1.05

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	131	20	151	13%
Irregularities reported as fraudulent 2013-17	240	18	258	7%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Portugal

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	2	269,552	32	4,907,356	2.65%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	79,943	36	1,102,350	0.01%	0.14%
Rural Development (RD)	2	96,975	365	25,454,161	0.02%	4.86%
SA/RD						
<b>TOTAL</b>	<b>4</b>	<b>176,918</b>	<b>401</b>	<b>26,556,512</b>	<b>0.01%</b>	<b>2.05%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	6	176,838	165	6,353,466	0.00%	0.17%
Rural Development (RD)	15	6,677,760	1,232	64,856,854	0.23%	2.26%
SA/RD						
<b>TOTAL</b>	<b>21</b>	<b>6,854,598</b>	<b>1397</b>	<b>71,210,320</b>	<b>0.10%</b>	<b>1.07%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	2	1	3	33%
Irregularities reported as fraudulent 2013-17	18	3	21	14%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	11	29,436,716	390	63,546,394		
<i>Cohesion fund</i>						
ERDF	7	28,332,778	279	52,328,900		
ESF	4	1,103,938	50	1,735,989		
EFF			61	9,481,505		
<b>Programming Period 2007-13 - cumulative</b>	<b>57</b>	<b>119,805,393</b>	<b>1,252</b>	<b>184,555,178</b>	<b>0.57</b>	<b>0.88</b>
<i>Cohesion fund</i>						
ERDF	1	91,452	75	7,249,585	0.00	0.25
ESF	21	96,292,291	690	144,760,381	0.87	1.31
EFF	21	22,486,786	361	16,364,948	0.33	0.24
EFF	14	934,864	126	16,180,264	0.43	7.52

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	62	1	63	2%
Irregularities reported as fraudulent 2013-17	49		49	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Romania - România

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	413,780	23	2,778,540	1.57%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	34	878,828	132	34,317,583	0.05%	1.98%
Rural Development (RD)	30	7,095,057	313	26,206,978	0.44%	1.63%
SA/RD						
<b>TOTAL</b>	<b>64</b>	<b>7,973,885</b>	<b>445</b>	<b>60,524,561</b>	<b>0.24%</b>	<b>1.81%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	206	5,794,754	832	77,366,161	0.08%	1.06%
Rural Development (RD)	229	43,514,124	2,402	174,118,818	0.72%	2.88%
SA/RD			1	10,833		
<b>TOTAL</b>	<b>435</b>	<b>49,308,878</b>	<b>3235</b>	<b>251,495,812</b>	<b>0.37%</b>	<b>1.88%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	101	9	110	8%
Irregularities reported as fraudulent 2013-17	363	72	435	17%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>75</b>	<b>67,164,712</b>	<b>368</b>	<b>102,999,633</b>		
<i>Cohesion fund</i>			33	34,849,424		
<i>ERDF</i>	66	65,304,973	133	44,417,356		
<i>ESF</i>	8	1,837,504	193	20,080,645		
<i>EFF</i>	1	22,235	9	3,652,208		
Programming Period 2007-13 - cumulative	<b>302</b>	<b>188,521,567</b>	<b>2,224</b>	<b>494,418,040</b>	<b>1.10</b>	<b>2.89</b>
<i>Cohesion fund</i>	3	16,790,840	316	178,757,231	0.29	3.06
<i>ERDF</i>	217	157,773,266	1,065	237,967,624	1.94	2.92
<i>ESF</i>	77	11,501,435	750	56,394,027	0.38	1.88
<i>EFF</i>	5	2,456,026	93	21,299,158	1.66	14.38

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	61	1	62	2%
Irregularities reported as fraudulent 2013-17	262	1	263	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Slovenia - Slovenija

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	159,180	8	320,139	0.58%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	46,897	3	61,189	0.03%	0.04%
Rural Development (RD)			9	228,204		0.28%
SA/RD			2	25,581		
<b>TOTAL</b>	<b>1</b>	<b>46,897</b>	<b>14</b>	<b>314,974</b>	<b>0.02%</b>	<b>0.14%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	9	664,170	10	396,722	0.09%	0.06%
Rural Development (RD)	3	503,080	66	1,748,932	0.10%	0.36%
SA/RD			2	25,581		
<b>TOTAL</b>	<b>12</b>	<b>1,167,250</b>	<b>78</b>	<b>2,171,235</b>	<b>0.10%</b>	<b>0.18%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	9	4	13	31%
Irregularities reported as fraudulent 2013-17	12	0	12	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	2	2,553,647	41	1,438,319		
<i>Cohesion fund</i>						
ERDF	2	2,553,647	40	1,424,598		
ESF			1	13,721		
EFF						
<b>Programming Period 2007-13 - cumulative</b>	<b>28</b>	<b>28,662,772</b>	<b>256</b>	<b>51,093,616</b>	<b>0.73</b>	<b>1.30</b>
<i>Cohesion fund</i>	1	491,175	21	10,749,527	0.04	0.80
ERDF	18	27,907,786	177	36,212,805	1.52	1.97
ESF	9	263,811	56	3,719,298	0.04	0.52
EFF			2	411,986		2.06

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	8	5	13	38%
Irregularities reported as fraudulent 2013-17	15	4	19	21%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.



## Slovakia - Slovensko

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated			11	756,807	0.65%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			1	14,826		0.00%
Rural Development (RD)	2	149,444	45	4,116,782	0.09%	2.45%
SA/RD			2	62,233		
<b>TOTAL</b>	<b>2</b>	<b>149,444</b>	<b>48</b>	<b>4,193,841</b>	<b>0.02%</b>	<b>0.69%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	1,483	18	418,417	0.00%	0.02%
Rural Development (RD)	25	7,133,677	171	16,598,023	0.88%	2.05%
SA/RD			8	770,997		
<b>TOTAL</b>	<b>26</b>	<b>7,135,160</b>	<b>197</b>	<b>17,787,437</b>	<b>0.25%</b>	<b>0.62%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	4	1	5	20%
Irregularities reported as fraudulent 2013-17	25	1	26	4%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>75</b>	<b>139,697,689</b>	<b>227</b>	<b>106,437,417</b>		
<i>Cohesion fund</i>	8	52,032,656	24	28,828,613		
<i>ERDF</i>	49	79,688,200	155	62,840,375		
<i>ESF</i>	15	7,785,560	47	14,579,413		
<i>EFF</i>	3	191,273	1	189,016		
<b>Programming Period 2007-13 - cumulative</b>	<b>214</b>	<b>233,276,610</b>	<b>1,487</b>	<b>1,088,825,432</b>	<b>2.14</b>	<b>9.97</b>
<i>Cohesion fund</i>	19	76,322,154	138	490,638,463	2.06	13.25
<i>ERDF</i>	126	128,348,705	897	527,704,656	2.21	9.11
<i>ESF</i>	63	28,223,264	440	69,458,486	2.00	4.93
<i>EFF</i>	6	382,487	12	1,023,827	3.69	9.87

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	31	6	37	16%
Irregularities reported as fraudulent 2013-17	192	10	202	5%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Finland – Suomi-Finland

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	83,383	27	1,947,211	1.16%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)						
Rural Development (RD)			7	137,810		0.04%
SA/RD						
<b>TOTAL</b>			<b>7</b>	<b>137,810</b>		<b>0.02%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			11	160,173		0.01%
Rural Development (RD)			43	804,996		0.05%
SA/RD			31	935,331		
<b>TOTAL</b>			<b>85</b>	<b>1,900,500</b>		<b>0.05%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13				
Irregularities reported as fraudulent 2013-17				

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	1	26,786	3	395,354		
ERDF			2	119,035		
ESF			1	276,319		
EFF	1	26,786				
Programming Period 2007-13 - cumulative	1	26,786	80	3,763,761	0.00	0.23
ERDF			52	2,131,838		0.22
ESF			20	1,101,927		0.18
EFF	1	26,786	8	529,996	0.07	1.39

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	2	1	3	33%
Irregularities reported as fraudulent 2013-17	2		2	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## Sweden - Sverige

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	4	4,527,821	165	6,704,023	1.71%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			1	2,006,590		0.28%
Rural Development (RD)			5	120,828		0.12%
SA/RD						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2,127,418</b>		<b>0.26%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	15,700	41	4,140,298	0.00%	0.12%
Rural Development (RD)	1	13,753	68	2,776,143	0.00%	0.31%
SA/RD	2	7,270	6	247,409		
<b>TOTAL</b>	<b>4</b>	<b>36,723</b>	<b>115</b>	<b>7,163,850</b>	<b>0.00%</b>	<b>0.16%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	6		6	0%
Irregularities reported as fraudulent 2013-17	4		4	0%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	0	0	3	646,177		
ERDF			2	59,120		
ESF			1	587,057		
EFF						
Programming Period 2007-13 - cumulative	4	66,797	147	8,105,895	0.00	0.50
ERDF	2	29,027	85	5,086,551	0.00	0.56
ESF	2	37,770	48	2,562,390	0.01	0.39
EFF			14	456,954		0.95

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	3		3	0%
Irregularities reported as fraudulent 2013-17	3		3	0%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## United Kingdom

1. Traditional Own Resources					
Reporting Year 2017	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	466,886	799	97,376,431	2.46%

2. Natural Resources						
Irregularities reported in 2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)			12	636,865		0.02%
Rural Development (RD)			41	916,009		0.17%
SA/RD			1	25,999		
<b>TOTAL</b>			<b>54</b>	<b>1,578,873</b>		<b>0.04%</b>

Irregularities reported 2013-2017						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	382,734	133	3,285,276	0.00%	0.02%
Rural Development (RD)	13	507,742	283	6,409,374	0.02%	0.19%
SA/RD			5	124,598		
<b>TOTAL</b>	<b>16</b>	<b>890,476</b>	<b>421</b>	<b>9,819,248</b>	<b>0.00%</b>	<b>0.05%</b>

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13	8	2	10	20%
Irregularities reported as fraudulent 2013-17	13	3	16	19%

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Programming Period 2007-13 - reporting year 2017	<b>2</b>	<b>40,118</b>	<b>168</b>	<b>9,400,921</b>		
ERDF	1	40,118	56	6,055,692		
ESF	1		108	3,272,625		
EFF			4	72,604		
<b>Programming Period 2007-13 - cumulative</b>	<b>48</b>	<b>11,531,702</b>	<b>3,074</b>	<b>212,517,980</b>	<b>0.12</b>	<b>2.23</b>
ERDF	21	2,445,398	1,754	122,568,136	0.05	2.39
ESF	25	8,939,506	1,280	87,766,809	0.21	2.06
EFF	2	146,798	40	2,183,035	0.12	1.78

Ratio of established fraud	Suspected fraud	Established fraud	TOTAL	REF
	N	N	N	%
Irregularities reported as fraudulent 2009-13*	40	8	48	17%
Irregularities reported as fraudulent 2013-17	35	3	38	8%

\* Figures may differ from Table CP23 where the focus was on the Dismissal Ratio and Established Fraud Ratio for the Programming Period 2007-2013. In this Table, irregularities referring to any Programming Period are considered.

## ANNEXES

# ANNEX 1

TOR: Total number of <u>fraudulent and non-fraudulent cases</u> discovered with the related estimated and established amount 2013-2017										
MS	2013		2014		2015		2016		2017	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	185	43,514,517	147	19,048,837	253	15,426,401	211	14,911,126	215	30,081,729
BG	31	755,698	28	634,160	27	745,534	13	394,533	20	1,446,132
CZ	57	3,255,654	83	12,454,997	72	3,712,176	82	5,786,424	89	8,608,026
DK	42	2,324,093	71	5,347,533	91	7,573,936	79	12,284,300	56	2,126,831
DE	1,823	122,192,259	1,781	96,777,165	2,137	140,591,196	1,846	87,228,956	1,663	92,313,854
EE	4	1,439,374	8	249,167	9	247,557	9	1,303,483	5	322,079
IE	23	1,996,250	28	4,313,814	32	3,340,624	31	5,007,046	32	2,981,027
EL	35	3,817,406	48	12,188,688	57	16,692,582	45	16,460,513	41	14,406,341
ES	388	29,720,524	412	50,241,446	320	24,914,195	299	45,322,853	264	82,737,583
FR	371	25,443,927	426	47,940,541	381	28,859,558	346	49,727,823	298	29,799,654
HR	8	155,148	10	817,694	14	1,198,947	17	932,140	15	1,115,013
IT	274	27,583,812	155	62,331,127	152	13,938,373	112	26,078,708	139	13,060,243
CY	15	1,057,620	11	162,729	4	127,072	7	332,446	5	128,966
LV	20	1,043,657	27	1,838,210	30	1,995,004	30	3,844,246	10	454,553
LT	46	2,589,405	49	2,892,165	47	1,325,639	26	915,350	57	2,564,644
LU	0	0	0	0	0	0	0	0	0	0
HU	45	1,225,830	87	1,430,576	27	1,268,336	16	4,153,190	24	6,245,214
MT	4	444,171	4	1,466,945	5	623,612	2	320,682	2	366,319
NL	433	39,439,015	393	42,784,333	458	110,023,037	523	146,446,845	450	80,801,169
AT	63	2,598,048	81	6,389,271	74	3,783,656	61	15,338,503	56	7,393,410
PL	107	8,363,553	213	10,987,797	129	5,229,898	166	7,221,237	98	3,979,784
PT	31	1,869,964	58	3,652,681	22	3,764,190	17	6,609,241	34	5,176,908
RO	80	4,317,375	75	7,285,986	93	8,203,838	57	5,936,342	32	3,192,319
SI	13	382,986	19	1,201,576	12	446,511	1	25,222	12	479,319
SK	8	1,744,504	35	1,753,766	10	605,925	18	1,026,172	11	756,807
FI	43	2,505,185	35	1,446,295	38	1,739,021	40	2,385,846	31	2,030,595
SE	63	10,178,221	71	3,981,446	76	3,025,886	99	6,008,817	169	11,231,844
UK	1,179	74,796,898	1,197	68,793,009	971	44,174,275	835	80,784,102	808	97,843,317
<b>Total</b>	<b>5,391</b>	<b>414,755,095</b>	<b>5,552</b>	<b>468,411,956</b>	<b>5,541</b>	<b>443,576,980</b>	<b>4,988</b>	<b>546,786,144</b>	<b>4,636</b>	<b>501,643,678</b>

\* Cut-off date 15/03/2018

## ANNEX 2

(The number of irregularities reported as fraudulent measures the results of efforts by Member States to counter fraud and other illegal activities affecting EU financial interests; it should not be interpreted as the level of fraud in their territories)

TOR: Total number of <u>fraudulent cases</u> discovered with the related estimated and established amount 2013-2017										
MS	2013		2014		2015		2016		2017	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	38	34,721,988	26	13,145,504	45	7,531,171	39	9,125,211	26	15,502,626
BG	17	324,233	24	497,380	23	648,683	11	342,383	19	1,192,724
CZ	3	28,934	0	0	2	47,637	2	149,590	0	0
DK	4	713,631	2	697,708	6	4,008,930	5	8,572,845	1	87,967
DE	194	12,993,773	143	14,977,797	159	29,196,567	113	5,384,323	46	6,586,501
EE	0	0	2	108,304	5	134,899	4	71,272	4	310,930
IE	4	519,759	4	2,249,080	8	1,544,668	3	445,574	1	33,992
EL	32	3,768,336	35	9,953,507	34	13,390,124	37	7,861,263	31	14,131,439
ES	144	13,489,895	121	33,845,262	75	4,956,829	50	3,292,251	34	3,911,652
FR	110	7,078,673	135	33,862,260	100	14,910,011	92	27,650,468	98	13,221,533
HR	5	98,849	8	684,206	5	439,189	5	342,135	8	852,915
IT	138	12,311,232	51	54,349,363	40	5,610,518	22	6,548,191	20	1,036,186
CY	1	76,603	2	22,192	3	112,709	7	332,446	4	118,402
LV	12	535,709	20	987,566	18	1,616,073	14	726,248	6	257,710
LT	24	2,117,232	14	712,907	17	559,196	10	266,102	38	1,538,484
LU	0	0	0	0	0	0	0	0	0	0
HU	5	89,524	8	187,146	5	182,050	2	87,456	4	335,228
MT	4	444,171	3	1,391,777	1	18,961	2	320,682	2	366,319
NL	19	951,905	7	414,169	2	612,146	9	515,657	8	2,800,617
AT	13	252,298	23	3,627,369	9	875,184	14	5,716,261	7	5,654,247
PL	17	2,548,821	37	3,554,948	59	1,813,650	92	3,082,818	52	2,526,634
PT	1	108,890	4	454,899	4	508,718	0	0	2	269,552
RO	15	276,363	14	438,369	21	1,060,519	16	2,872,456	9	413,780
SI	5	155,419	13	1,067,985	3	139,295	0	0	4	159,180
SK	0	0	3	256,714	3	117,282	3	707,196	0	0
FI	5	349,402	3	74,840	6	412,415	6	119,457	4	83,383
SE	1	11,745	3	224,113	0	0	2	96,496	4	4,527,821
UK	24	2,423,766	44	2,253,515	42	957,662	9	290,104	9	466,886
<b>Total</b>	<b>835</b>	<b>96,391,150</b>	<b>749</b>	<b>180,038,882</b>	<b>695</b>	<b>91,405,085</b>	<b>569</b>	<b>84,918,886</b>	<b>441</b>	<b>76,386,708</b>

\* Cut-off date 15/03/2018

## ANNEX 3

TOR: Total number of <u>non-fraudulent cases</u> with the related estimated and established amount 2013-2017										
MS	2013		2014		2015		2016		2017	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	147	8,792,529	121	5,903,333	208	7,895,230	172	5,785,915	189	14,579,103
BG	14	431,465	4	136,779	4	96,851	2	52,150	1	253,408
CZ	54	3,226,721	83	12,454,997	70	3,664,539	80	5,636,834	89	8,608,026
DK	38	1,610,463	69	4,649,825	85	3,565,006	74	3,711,454	55	2,038,865
DE	1,629	109,198,487	1,638	81,799,368	1,978	111,394,629	1,733	81,844,633	1,617	85,727,353
EE	4	1,439,374	6	140,863	4	112,658	5	1,232,211	1	11,149
IE	19	1,476,491	24	2,064,734	24	1,795,956	28	4,561,472	31	2,947,035
EL	3	49,070	13	2,235,181	23	3,302,458	8	8,599,250	10	274,902
ES	244	16,230,629	291	16,396,184	245	19,957,366	249	42,030,602	230	78,825,931
FR	261	18,365,254	291	14,078,281	281	13,949,548	254	22,077,355	200	16,578,121
HR	3	56,300	2	133,487	9	759,758	12	590,005	7	262,098
IT	136	15,272,580	104	7,981,764	112	8,327,855	90	19,530,517	119	12,024,057
CY	14	981,017	9	140,537	1	14,363	0	0	1	10,564
LV	8	507,947	7	850,644	12	378,930	16	3,117,998	4	196,843
LT	22	472,172	35	2,179,258	30	766,443	16	649,248	19	1,026,160
LU	0	0	0	0	0	0	0	0	0	0
HU	40	1,136,306	79	1,243,430	22	1,086,286	14	4,065,734	20	5,909,986
MT	0	0	1	75,168	4	604,651	0	0	0	0
NL	414	38,487,110	386	42,370,164	456	109,410,891	514	145,931,188	442	78,000,552
AT	50	2,345,750	58	2,761,902	65	2,908,472	47	9,622,242	49	1,739,162
PL	90	5,814,733	176	7,432,850	70	3,416,248	74	4,138,419	46	1,453,150
PT	30	1,761,074	54	3,197,782	18	3,255,472	17	6,609,241	32	4,907,356
RO	65	4,041,013	61	6,847,617	72	7,143,319	41	3,063,886	23	2,778,540
SI	8	227,567	6	133,591	9	307,216	1	25,222	8	320,139
SK	8	1,744,504	32	1,497,052	7	488,643	15	318,976	11	756,807
FI	38	2,155,783	32	1,371,455	32	1,326,606	34	2,266,388	27	1,947,211
SE	62	10,166,477	68	3,757,332	76	3,025,886	97	5,912,321	165	6,704,023
UK	1,155	72,373,132	1,153	66,539,494	929	43,216,613	826	80,493,998	799	97,376,431
<b>Total</b>	<b>4,556</b>	<b>318,363,945</b>	<b>4,803</b>	<b>288,373,074</b>	<b>4,846</b>	<b>352,171,895</b>	<b>4,419</b>	<b>461,867,259</b>	<b>4,195</b>	<b>425,256,970</b>

\* Cut-off date 15/03/2018



## ANNEX 4

TOR: Percentage of the financial impact of OWNRES cases to the collected and made available TOR (gross) in 2017 per Member State										
MS	Gross amount TOR collected (A account)			All			Fraudulent		Non-fraudulent	
	EUR	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	%	EUR
BE	2,642,810,592	30,081,729	1.14%	15,502,626	14,579,103	0.59%	14,579,103	0.55%		
BG	95,238,227	1,446,132	1.52%	1,192,724	253,408	1.25%	253,408	0.27%		
CZ	333,241,578	8,608,026	2.58%	0	8,608,026	0.00%	8,608,026	2.58%		
DK	427,926,351	2,126,831	0.50%	87,967	2,038,865	0.02%	2,038,865	0.48%		
DE	5,119,343,332	92,313,854	1.80%	6,586,501	85,727,353	0.13%	85,727,353	1.67%		
EE	37,790,795	322,079	0.85%	310,930	11,149	0.82%	11,149	0.03%		
IE	356,191,726	2,981,027	0.84%	33,992	2,947,035	0.01%	2,947,035	0.83%		
EL	200,946,597	14,406,341	7.17%	14,131,439	274,902	7.03%	274,902	0.14%		
ES	1,919,674,463	82,737,583	4.31%	3,911,652	78,825,931	0.20%	78,825,931	4.11%		
FR	2,086,197,134	29,799,654	1.43%	13,221,533	16,578,121	0.63%	16,578,121	0.79%		
HR	56,985,534	1,115,013	1.96%	852,915	262,098	1.50%	262,098	0.46%		
IT	2,299,903,491	13,060,243	0.57%	1,036,186	12,024,057	0.05%	12,024,057	0.52%		
CY	26,951,991	128,966	0.48%	118,402	10,564	0.44%	10,564	0.04%		
LV	42,996,411	454,553	1.06%	257,710	196,843	0.60%	196,843	0.46%		
LT	100,345,725	2,564,644	2.56%	1,538,484	1,026,160	1.53%	1,026,160	1.02%		
LU	27,059,197	-	0.00%	0	0	0.00%	0	0.00%		
HU	186,208,364	6,245,214	3.35%	335,228	5,909,986	0.18%	5,909,986	3.17%		
MT	14,732,034	366,319	2.49%	366,319	0	2.49%	0	0.00%		
NL	3,080,613,150	80,801,169	2.62%	2,800,617	78,000,552	0.09%	78,000,552	2.53%		
AT	275,460,523	7,393,410	2.68%	5,654,247	1,739,162	2.05%	1,739,162	0.63%		
PL	834,600,505	3,979,784	0.48%	2,526,634	1,453,150	0.30%	1,453,150	0.17%		
PT	195,524,104	5,176,908	2.65%	269,552	4,907,356	0.14%	4,907,356	2.51%		
RO	202,876,304	3,192,319	1.57%	413,780	2,778,540	0.20%	2,778,540	1.37%		
SI	82,957,351	479,319	0.58%	159,180	320,139	0.19%	320,139	0.39%		
SK	116,740,888	756,807	0.65%	0	756,807	0.00%	756,807	0.65%		
FI	175,009,470	2,030,595	1.16%	83,383	1,947,211	0.05%	1,947,211	1.11%		
SE	657,846,831	11,231,844	1.71%	4,527,821	6,704,023	0.69%	6,704,023	1.02%		
UK	3,977,651,281	97,843,317	2.46%	466,886	97,376,431	0.01%	97,376,431	2.45%		
<b>Total</b>	<b>25,573,823,950</b>	<b>501,643,678</b>	<b>1.96%</b>	<b>76,386,708</b>	<b>425,256,970</b>	<b>0.30%</b>	<b>425,256,970</b>	<b>1.66%</b>		

## ANNEX 5

TOR: Recovery rates (RR) per cut-off date						
MS	2016			2017		
	Established amount	Recovered amount	RR	Established amount	Recovered amount	RR
	EUR	EUR	%	EUR	EUR	%
	1	2	3=2/1	1	2	3=2/1
<b>BE</b>	11,690,990	8,743,794	75 %	21,860,395	9,677,518	44 %
<b>BG</b>	223,637	75,292	34 %	1,446,132	266,161	18 %
<b>CZ</b>	5,786,424	5,281,040	91 %	8,608,026	4,471,221	52 %
<b>DK</b>	12,284,300	2,557,390	21 %	2,126,831	1,089,269	51 %
<b>DE</b>	87,164,748	82,589,089	95 %	92,313,854	75,947,768	82 %
<b>EE</b>	1,303,483	1,243,230	95 %	322,079	11,149	3 %
<b>IE</b>	4,561,472	3,024,469	66 %	2,947,035	2,854,964	97 %
<b>EL</b>	8,951,578	80,765	1 %	8,354,806	171,085	2 %
<b>ES</b>	44,003,652	17,915,283	41 %	81,095,666	13,177,747	16 %
<b>FR</b>	48,220,508	14,750,357	31 %	28,737,885	11,029,322	38 %
<b>HR</b>	932,140	647,661	69 %	1,115,013	313,388	28 %
<b>IT</b>	25,970,041	5,233,741	20 %	13,060,243	2,356,101	18 %
<b>CY</b>	332,446	59,925	18 %	128,966	43,302	34 %
<b>LV</b>	3,844,246	2,184,372	57 %	454,553	51,897	11 %
<b>LT</b>	915,350	209,672	23 %	2,564,644	420,882	16 %
<b>LU</b>	0	0	0 %	0	0	0 %
<b>HU</b>	4,153,190	732,401	18 %	6,245,214	5,438,997	87 %
<b>MT</b>	320,682	0	0 %	366,319	0	0 %
<b>NL</b>	146,405,137	28,903,369	20 %	79,476,057	23,287,286	29 %
<b>AT</b>	15,338,503	10,908,011	71 %	7,393,410	6,129,567	83 %
<b>PL</b>	7,221,237	2,373,329	33 %	3,979,784	1,159,858	29 %
<b>PT</b>	6,609,241	398,304	6 %	4,907,356	2,480,072	51 %
<b>RO</b>	5,936,342	2,176,296	37 %	3,192,319	1,149,219	36 %
<b>SI</b>	25,222	25,222	100 %	479,319	479,319	100 %
<b>SK</b>	1,026,172	1,026,172	100 %	756,807	740,332	98 %
<b>FI</b>	2,358,198	1,761,269	75 %	2,030,595	1,790,778	88 %
<b>SE</b>	5,912,321	5,882,596	99 %	11,204,873	7,764,408	69 %
<b>UK</b>	80,511,319	34,131,035	42 %	97,178,368	54,856,413	56 %
<b>Total</b>	<b>532,002,577</b>	<b>232,914,085</b>	<b>44 %</b>	<b>482,346,547</b>	<b>227,158,024</b>	<b>47 %</b>

\* Cut-off date 15/03/2018

# ANNEX 6

TOR: Estimated and established amount per customs procedure per Member State 2017											
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	7,027,149	8,284,488	55,551		135,437	7,079,590	519,790	4,767,935	2,116,285	95,503	
BG	203,948	988,776				253,408					
CZ						8,534,780			73,246		
DK	87,967					1,805,146	75,882	119,679	26,238	11,920	
DE	6,517,556				68,945	66,210,863	746,739	2,489,329	15,439,841	840,582	
EE					310,930	11,149					
IE					33,992	1,958,781			50,200	938,054	
EL	9,504,163	104,010			4,523,266	172,769		49,259	52,874		
ES	3,911,652					75,480,870	31,315	90,055	3,203,824	19,867	
FR	10,746,805		959,622	304,071	1,211,035	15,463,027	12,430	300,525	236,467	565,672	
HR	262,090	563,852			26,973	262,098					
IT	1,024,993	11,193				7,221,736			25,733	4,776,588	
CY	118,402					10,564					
LV	242,464			15,246		196,843					
LT	56,244				1,482,240	480,527	539,135			6,498	
LU											
HU	49,438	285,790				5,909,986					
MT					366,319						
NL	2,717,304		18,702	64,611		65,852,347	337,079	7,760,477	3,972,656	77,993	
AT	936,442	4,717,805				1,692,793			18,792	27,578	
PL	2,063,187	431,388			32,059	1,434,838	18,312				
PT	269,552					4,733,067		174,288			
RO	370,293				43,487	2,664,662			50,909	62,969	
SI	159,180					320,139					
SK						756,807					
FI	83,383					1,679,485	13,608	72,280	181,838		
SE	4,527,821					6,403,382	86,974		116,451	97,216	
UK	466,886					77,427,455	55,379		19,881,253	12,344	
<b>Total</b>	<b>51,346,919</b>	<b>15,387,301</b>	<b>1,033,875</b>	<b>383,928</b>	<b>8,234,684</b>	<b>354,017,112</b>	<b>2,436,643</b>	<b>15,823,826</b>	<b>45,446,607</b>	<b>7,532,783</b>	

# ANNEX 7

TOR: Method of detection by number of cases per Member State 2017

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
BE	215	26			26			189	51	100	26	3	2	7
BG	20	19		2	17			1	1					
CZ	89							89	3	64			22	
DK	56	1		1				55	6	42			4	3
DE	1,663	46	4	10	30		2	1,617	100	888	12	262	309	46
EE	5	4	4					1		1				
IE	32	1			1			31	1	2	2	19	3	4
EL	41	31	19	1	4		7	10		2	8			
ES	264	34	3	2	25	3	1	230	68	42	22	63	32	3
FR	298	98	34	41	23			200	41	67	67		24	1
HR	15	8	6	2				7	1	4	2			
IT	139	20		5	11		4	119	30	60	18		10	1
CY	5	4	1		2		1	1		1				
LV	10	6	5		1			4		3		1		
LT	57	38		3	35			19	1	15	3			
LU														
HU	24	4	1	3				20	4	14	2			
MT	2	2	2											
NL	450	8		7			1	442	122	287	1		32	
AT	56	7		3	2		2	49	4	34	1		5	5
PL	98	52	8	41			3	46	6	32	8			
PT	34	2	2					32	2	7	22			1
RO	32	9			9			23			23			
SI	12	4			4			8	5	2	1			
SK	11							11		4	1		6	
FI	31	4	3		1			27	12	7			8	
SE	169	4	2	2				165	3	112	1		49	
UK	808	9	9					799	1	517			281	
<b>Total</b>	<b>4,636</b>	<b>441</b>	<b>103</b>	<b>123</b>	<b>191</b>	<b>3</b>	<b>1</b>	<b>4,195</b>	<b>462</b>	<b>2,307</b>	<b>220</b>	<b>348</b>	<b>787</b>	<b>71</b>

# ANNEX 8

**TOR: Method of detection by established and estimated amounts per Member state 2017**

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	30,081,729	15,502,626			15,502,626				14,579,103	5,951,308	4,109,142	4,297,015	38,796	54,002	128,841
BG	1,446,132	1,192,724	23,458		1,169,267			253,408	253,408						
CZ	8,608,026							8,608,026	56,059	7,347,675				1,204,291	
DK	2,126,831	87,967	87,967					2,038,865	289,625	1,407,685				205,360	136,195
DE	92,313,854	6,586,501	158,584	2,712,336	3,589,306		126,275	85,727,353	3,488,538	45,599,244	504,481	11,734,929	21,600,931	2,799,230	
EE	322,079	310,930						11,149		11,149					
IE	2,981,027	33,992			33,992			2,947,035	37,504	45,400	82,465	2,135,661	176,828	469,177	
EL	14,406,341	14,131,439	4,788,730	12,458	8,065,264		1,264,986	274,902		102,133	172,769				
ES	82,737,583	3,911,652	795,354	52,488	2,583,488	462,095	18,227	78,825,931	5,447,858	2,325,301	39,828,912	29,419,723	1,625,950	178,187	
FR	29,799,654	13,221,533	1,608,405	5,959,398	5,653,730			16,578,121	1,094,114	3,466,124	10,840,739		1,022,288	154,856	
HR	1,115,013	852,915	749,188	103,727				262,098	11,653	222,250	28,194				
IT	13,060,243	1,036,186		270,857	671,902		93,427	12,024,057	6,493,010	4,390,583	793,136		382,744	24,583	
CY	128,966	118,402	10,294		85,663			10,564		10,564					
LV	454,553	257,710	246,038		11,672			196,843		51,897		144,946			
LT	2,564,644	1,538,484		56,244	1,482,240			1,026,160	26,339	976,204	23,617				
LU															
HU	6,245,214	335,228	24,514	310,714				5,909,986	387,667	5,457,940	64,378				
MT	366,319	366,319	366,319												
NL	80,801,169	2,800,617		2,783,534		17,083		78,000,552	9,493,752	66,999,479	18,358		1,488,963		
AT	7,393,410	5,654,247		4,768,666	140,113		745,468	1,739,162	101,303	1,304,555	55,802		71,286	206,216	
PL	3,979,784	2,526,634	543,759	1,792,194			250,681	1,453,150	118,824	822,831	511,496				
PT	5,176,908	269,552	269,552					4,907,356	23,336	581,412	4,272,317			30,291	
RO	3,192,319	413,780		413,780				2,778,540			2,778,540				
SI	479,319	159,180		159,180				320,139	228,732	79,028	12,380				
SK	756,807							756,807		38,241	10,402		708,164		
FI	2,030,595	83,383	53,375		30,008			1,947,211	1,004,939	718,709			223,562		
SE	11,231,844	4,527,821	26,971	4,500,850				6,704,023	72,301	5,174,911	51,002		1,405,809		
UK	97,843,317	466,886	466,886					97,376,431	219,053	68,960,222			28,197,156		
<b>Total</b>	<b>501,643,678</b>	<b>76,386,708</b>	<b>10,418,899</b>	<b>23,374,890</b>	<b>39,592,231</b>	<b>462,095</b>	<b>17,083</b>	<b>425,256,970</b>	<b>34,799,324</b>	<b>220,202,679</b>	<b>64,286,002</b>	<b>43,474,055</b>	<b>58,367,335</b>	<b>4,127,576</b>	

# ANNEX 9

MS	Fraudulent			Non-fraudulent		
	Established amount, EUR	Recovered amount, EUR	RR %	Established amount, EUR	Recovered amount, EUR	RR %
BE	7,281,291	860,529	12%	14,579,103	8,816,990	60%
BG	1,192,724	12,753	1%	253,408	253,408	100%
CZ	0	0	0%	8,608,026	4,471,221	52%
DK	87,967	0	0%	2,038,865	1,089,269	53%
DE	6,586,501	2,595,835	39%	85,727,353	73,351,934	86%
EE	310,930	0	0%	11,149	11,149	100%
IE	0	0	0%	2,947,035	2,854,964	97%
EL	8,079,904	4,814	0%	274,902	166,271	60%
ES	2,269,735	1,234,287	54%	78,825,931	11,943,460	15%
FR	12,159,764	3,680,509	30%	16,578,121	7,348,813	44%
HR	852,915	173,224	20%	262,098	140,164	53%
IT	1,036,186	44,796	4%	12,024,057	2,311,305	19%
CY	118,402	32,739	28%	10,564	10,564	100%
LV	257,710	0	0%	196,843	51,897	26%
LT	1,538,484	45,196	3%	1,026,160	375,686	37%
LU	0	0	0%	0	-	0%
HU	335,228	24,924	7%	5,909,986	5,414,073	92%
MT	366,319	0	0%	0	-	0%
NL	2,800,617	100,625	4%	76,675,440	23,186,661	30%
AT	5,654,247	4,759,310	84%	1,739,162	1,370,257	79%
PL	2,526,634	60,806	2%	1,453,150	1,099,053	76%
PT	0	0	0%	4,907,356	2,480,072	51%
RO	413,780	21,827	5%	2,778,540	1,127,392	41%
SI	159,180	159,180	100%	320,139	320,139	100%
SK	0	0	0%	756,807	740,332	98%
FI	83,363	208	0%	1,947,211	1,790,570	92%
SE	4,500,850	1,189,776	26%	6,704,023	6,574,632	98%
UK	20,990	0	0%	97,157,378	54,856,413	56%
<b>TOTAL</b>	<b>58,633,742</b>	<b>15,001,337</b>	<b>26%</b>	<b>423,712,805</b>	<b>212,156,687</b>	<b>50%</b>

\* Cut-off date 15/03/2018

## ANNEX 10

TOR: Examination of write-off cases in 2017														
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	EUR	N	EUR	N	EUR
BE			2	143,560	1	2,051,956			3					2,195,516
CZ					2	117,881			2			2		117,881
DK					1	159,996			1					159,996
DE	18	2,099,288	18	3,645,632	54	23,885,222	1	126,911	91	19	19			29,757,053
EL	1	208,697	2	351,148	1	301,349	1	336,679	5	1	1			1,197,873
ES			1	254,250	10	4,732,607			11					4,986,857
FR	1	100,313	1	163,425	1	98,875			3					362,613
IT	4	2,241,354	1	497,280	13	12,919,572			18	4	4			15,658,206
CY					1	240,966			1					240,966
LV	1	343,827	1	768,691	3	446,025			5	1	1			1,558,543
LT	2	345,006							2					345,006
HU	1	93,605	2	180,278	2	3,942,477			5	2	2			4,216,361
AT	6	5,687,056	2	2,030,647	2	814,435		28,256	10	3	3			8,560,394
PL			1	85,772	3	1,131,533			4	1	1			1,217,306
PT					1	123,541			1					123,541
SI									-					-
SK	1	64,387							1					64,387
FI					2	327,113			2					327,113
SE			1	117,359					1					117,359
UK	1	59,703	2	2,320,852					3					2,380,554
<b>Total</b>	<b>36</b>	<b>11,243,237</b>	<b>34</b>	<b>10,558,894</b>	<b>97</b>	<b>51,293,550</b>	<b>2</b>	<b>491,847</b>	<b>169</b>	<b>33</b>	<b>33</b>			<b>73,587,527</b>

\* It does not include the number of Additional Information's cases assessed twice.

## ANNEX 11

### *Classification of cases in relation to CAP expenditure*

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

To this purpose, cases are classified as:

- RD, where they concern only expenditure on budget lines/posts that contain the codes '0504', 'B01-4' or 'B01-50'.<sup>32</sup>

As from 2004, expenditure on rural development has been grouped under the chapter 0504. Within this context, the titles B050405 (as from 2007) and B050460 (as from 2014) refer to the EAFRD funding.<sup>33</sup>

Between 2000 and 2003, rural development was financed through the budget line B01-4.

Before 2000, there was no explicit reference to rural development in the budget, but line B01-50 covered expenditure which was similar to the one financed by B01-4 in 2000-2003.

- SA, where they do not concern rural development expenditure. SA includes expenditure in relation to intervention in agricultural markets and direct payments to farmers;<sup>34</sup>
- 'SA/RD', where they concern both types of expenditure (rural development and direct support to agricultural) or there is no enough information to assign the case to RD or SA.<sup>35</sup>

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.<sup>36</sup>

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<sup>32</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the Budget line or the Budget post that are explicitly mentioned lead to classify the case in this category RD (9,116 cases out of 11,914). In the category 'RD', also cases are included where the Budget line and the Budget post are not filled in, but the field 'Fund' has been filled with 'EAFRD'. On the contrary, even if the Budget line or the Budget post would lead to classify the case as RD, cases are classified as 'RD/SA' when the field 'Fund' has been filled with 'EAGF' (inconsistency); if the field 'Fund' had been filled with 'EAFRD' or even 'EAFRD/EAGF', that case would be classified as RD.

<sup>33</sup> 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).

<sup>34</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the Budget line or the Budget post that are explicitly mentioned lead to classify the case in this category SA (4,350 cases out of 5,913). In the category 'SA', also cases are included where the Budget line and the Budget post are not filled in, but the field 'Fund' has been filled with 'EAGF'. On the contrary, even if the Budget line or the Budget post would lead to classify the case as SA, cases are classified as 'RD/SA' when the field 'Fund' has been filled with 'EAFRD' (inconsistency); if the field 'Fund' had been filled with 'EAGF' or even 'EAFRD/EAGF', that case would be classified as SA.

<sup>35</sup> This includes cases where the Budget line and the Budget post are not filled in and the field 'Fund' has been filled with 'EAFRD/EAGF'. This also includes cases where the Budget line or the Budget post would lead to classify the case as SA (or RD), but the field 'Fund' has been filled in with 'EAFRD' (or 'EAGF') (inconsistency).

<sup>36</sup> The other chapters of Title 05 'Agriculture and rural development' are: 0501 'Administrative expenditure', 0504 'Rural development', 0505 'SAPARD' (later 'Instrument for pre-accession assistance'), 0506 'External relations' (later 'International aspects'), 0507 'Audit', 0508 'Policy strategy and coordination', 0549 'Expenditure on administrative management' (until 2013), 0509 'Horizon 2020 – Research and innovation' (from 2014).



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

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

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

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

- In 2004 and 2005, the chapters 0502 and 0503 referred respectively to 'Plant products' and 'Animal products';
- Before 2004, subsection B01 covered the Guarantee section of the EAGG fund and was split, among others<sup>37</sup>, in:
  - B01-1 'Plant products';
  - B01-2 'Animal products'.

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<sup>37</sup> B01-3 covered "Ancillary expenditure", B01-6 "Monetary reserve".

## ANNEX 12

### *Categories of irregularities and related types*

*Tables NR9-NR12*

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

Code	Category	Type
T11	Request	T11/00: Incorrect or incomplete request for aid T11/01: False or falsified request for aid T11/02: Product, species, project and/or activity not eligible for aid T11/03: Incompatible cumulation of aid T11/04: Several requests for the same product, species, project and/or activity T11/99: Other
T12	Beneficiary	T12/00: Incorrect identity operator/beneficiary T12/01: Non-existent operator/beneficiary T12/02: Misdescription of the holding T12/03: Operator/beneficiary not having the required quality T12/99: Other
T13	Accounts and records	T13/00: Incomplete accounts T13/01: Incorrect accounts T13/02: Falsified accounts T13/03: Accounts not presented T13/04: Absence of accounts T13/05: Calculation errors T13/06: Revenues not declared T13/99: Other
T14	Documentary proof	T14/00: Documents missing and/or not provided T14/01: Documents incomplete T14/02: Documents incorrect T14/03: Documents provided too late T14/04: Documents false and/or falsified T14/99: Other

T15	Product, species and/or land	<p>T15/00: Over or under production</p> <p>T15/01: Inexact composition</p> <p>T15/02: Inexact origin</p> <p>T15/03: Inaccurate value</p> <p>T15/04: Inexact quantity</p> <p>T15/05: Variation in quality or content</p> <p>T15/06: Quantities outside permitted limits, quotas, thresholds</p> <p>T15/07: Unauthorised substitution or exchange</p> <p>T15/08: Unauthorised addition or mixture</p> <p>T15/09: Unauthorised use</p> <p>T15/10: Falsification of the product</p> <p>T15/11: Incorrect storage or handling</p> <p>T15/12: Fictitious use or processing</p> <p>T15/13: Incorrect classification (incl. incorrect tariff heading)</p> <p>T15/14: Overdeclaration and/or declaration of fictitious product, species and/or land</p> <p>T15/99: Other</p>
T16	(Non-)action	<p>T16/00: Action not implemented</p> <p>T16/01: Action not completed</p> <p>T16/02: Operation prohibited during the measure</p> <p>T16/03: Failure to respect deadlines</p> <p>T16/04: Irregular termination, sale or reduction</p> <p>T16/05: Absence of identification, marking, etc.</p> <p>T16/06: Refusal of control, audit, scrutiny etc.</p> <p>T16/07: Control, audit, scrutiny etc. not carried out in accordance with regulations, rules, plan etc.</p> <p>T16/08: Infringement of rules concerned with public procurement</p> <p>T16/09: Infringements with regard to the cofinancing system</p> <p>T16/10: Refusal to repay not spent or unduly paid amount</p> <p>T16/99: Other</p>
T17	Movement	<p>T17/00: Irregularities in connection with final destination (change of, non arrival at, etc.)</p>

		<p>T17/01: Fictitious movement</p> <p>T17/99: Other</p>
T18	Bankruptcy	<p>T18/00: Legal persons - liquidation</p> <p>T18/01: Legal persons - reorganisation to structure debt</p> <p>T18/02: Natural persons - repayment plan</p> <p>T18/03: Natural persons - repayment plan not possible</p> <p>T18/99: Other</p>
T19	Ethics and integrity	<p>T19/00: Conflict of interest</p> <p>T19/01: Bribery - passive</p> <p>T19/02: Bribery - active</p> <p>T19/03: Corruption</p> <p>T19/04: Corruption - passive</p> <p>T19/05: Corruption - active</p> <p>T19/99: Other irregularities concerning integrity and ethics</p>
T40	Public procurement (see annex Commission Decision <a href="#">C(2013)9527</a> )	<p>T40/01: Lack of publication of contract notice</p> <p>T40/02: Artificial splitting of works/services/supplies contracts</p> <p>T40/03: Non-compliance with - time limits for receipt of tenders; or - time limits for receipt of requests to participate</p> <p>T40/04: Insufficient time for potential tenderers/candidates to obtain tender documentation</p> <p>T40/05: Lack of publication of -extended time limits for receipt of tenders; or - extended time limits for receipt of requests to participate</p> <p>T40/06: Cases not justifying the use of the negotiated procedure with prior publication of a contract notice</p> <p>T40/07: For the award of contracts in the field of defence and security falling under directive <a href="#">2009/81/EC</a> specifically, inadequate justification for the lack of publication of a contract notice</p> <p>T40/08: Failure to state: - the selection criteria in the contract notice; and/or - the award criteria (and their weighting) in the contract notice or in the tender specifications</p> <p>T40/09: Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents</p> <p>T40/10: Selection criteria not related and proportionate to the subjectmatter of the contract</p> <p>T40/11: Discriminatory technical specifications</p>

		<p>T40/12: Insufficient definition of the subject-matter of the contract</p> <p>T40/13: Modification of selection criteria after opening of tenders, resulting in incorrect acceptance of tenderers</p> <p>T40/14: Modification of selection criteria after opening of tenders, resulting in incorrect rejection of tenderers</p> <p>T40/15: Evaluation of tenderers/candidates using unlawful selection or award criteria</p> <p>T40/16: Lack of transparency and/or equal treatment during evaluation</p> <p>T40/17: Modification of a tender during evaluation</p> <p>T40/18: Negotiation during the award procedure</p> <p>T40/19: Negotiated procedure with prior publication of a contract notice with substantial modification of the conditions set out in the contract notice or tender specifications</p> <p>T40/20: Rejection of abnormally low tenders</p> <p>T40/21: Conflict of interest</p> <p>T40/22: Substantial modification of the contract elements set out in the contract notice or tender specifications</p> <p>T40/23: Reduction in the scope of the contract</p> <p>T40/24: Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in the absence of the applicable conditions (extreme urgency brought about by unforeseeable events; an unforeseen circumstance for complementary works, services, supplies)</p> <p>T40/25: Additional works or services exceeding the limit laid down in the relevant provisions</p> <p>T40/99: Other</p>
T50	State aid	<p>T50/01: Failure to notify State Aid</p> <p>T50/02: Wrong aid scheme applied</p> <p>T50/03: Misapplication of the aid scheme</p> <p>T50/04: Monitoring requirements not fulfilled</p> <p>T50/05: Reference investment not taken into account in the applicable aid scheme</p> <p>T50/06: No consideration of revenue in the applicable aid scheme</p> <p>T50/07: No respect of the incentive effect of the aid</p> <p>T50/08: Aid intensity not respected</p> <p>T50/09: De Minimis threshold exceeded</p> <p>T50/99: Other State aid</p>

T90	Other	T90/99: Other irregularities
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### *Tables CP17 and CP18*

The categories used in Tables CP17 and CP18 are built as follows:

- Infringements concerning the request: T11/00, T11/01, T11/99
- Eligibility / Legitimacy of expenditure/measure: T11/02
- Multiple financing: T11/03, T11/04
- Violations/breaches by the operator: T12
- Incorrect, absent, falsified accounts: T13
- Incorrect, missing, false or falsified supporting documents: T14
- Product, species and/or land: T15
- Infringement of contract provisions/rules: T16/00, T16/01, T16/02, T16/03, T16/04, T16/05, T16/06, T16/07, T16/09, T16/10, T16/99
- Movement: T17
- Bankruptcy: T18
- Ethics and integrity: T19
- Infringement of public procurement rules: T40, T16/08
- State aid: T50

## ANNEX 13

### *Analysis of the sensitivity of FDR and IDR*

#### *Intervention in agricultural markets and direct payments*

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

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

FDR and IDR for '*Intervention in agricultural markets*' in Table NR13\_a below is calculated on the basis of the amounts of all the irregularities (fraudulent and non fraudulent) where this type of expenditure is involved (considering in full the 'mixed' cases, as explained above). The same applies with reference to FDR and IDR for '*direct payments*'. Table NR13\_a shows the outcome of these calculations.

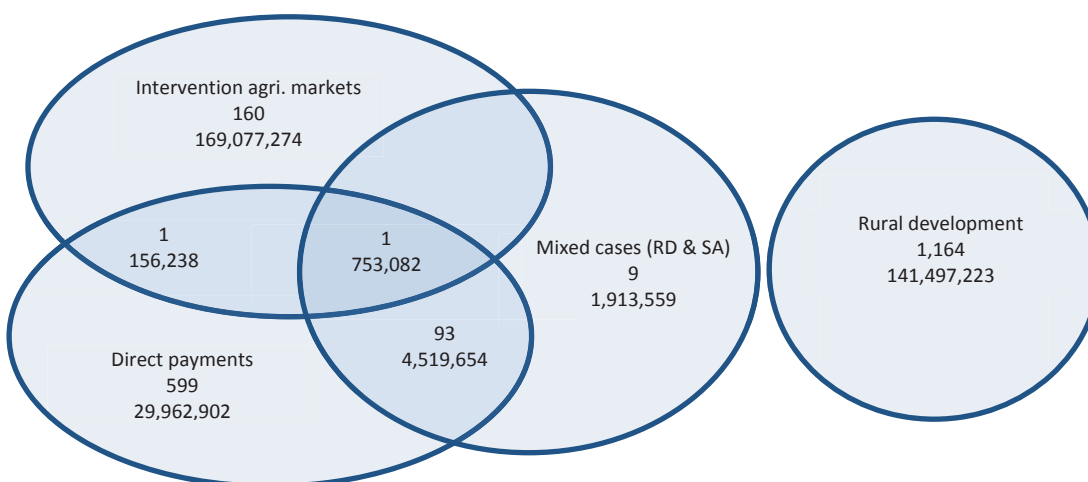
Type of expenditure (1)	Irregularities detected and reported 2013-2017 / Payments 2013-2017		
	FDR	IDR	Total
Intervention in agricultural markets	1.17%	1.39%	2.6%
Direct payments	0.02%	0.07%	0.1%

(1) In some cases, fraud or irregularity concern both 'intervention in agricultural markets' and other measures. In these cases, the total amount of the fraud or irregularity is considered in the FDR or IDR calculation. The same applies to some cases concerning 'direct payments'.

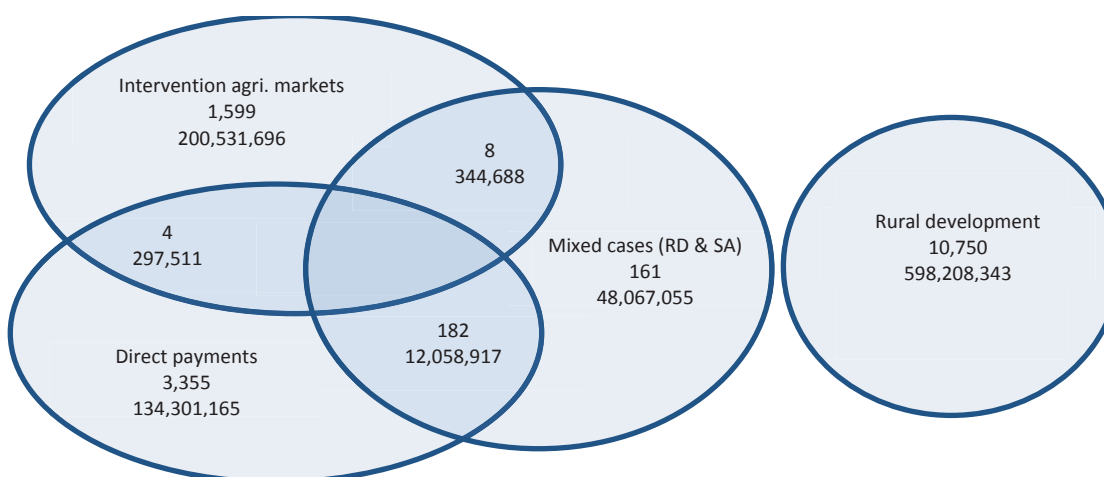
As there are a number of '*intervention of agricultural markets*' cases that concern, at the same time, this type of expenditure and other measures, the total amounts (and the corresponding FDR and IDR) associated to '*intervention in agricultural markets*' are somehow inflated. The same applies with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

**Fig. NR1: Irregularities and amounts reported as fraudulent by type of expenditure – 2013-2017**



**Fig. NR2: Irregularities and amounts not reported as fraudulent by type of expenditure – 2013-2017**



**Fig. NR3: Irregularities and amounts reported by type of expenditure – 2013-2017**

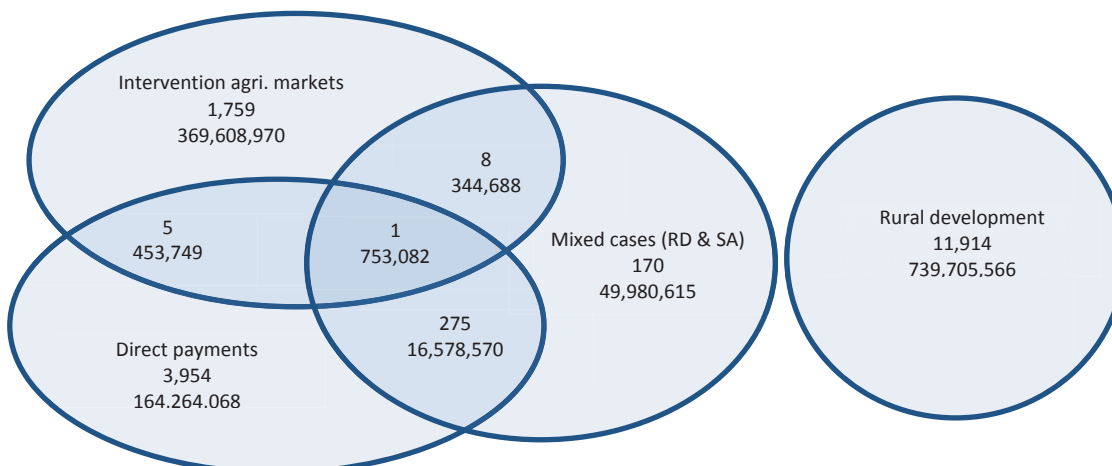




Table NR13\_b shows FDR and IDR where, for '*intervention in agricultural markets*', only the amounts related to cases that do not overlap with rural development or direct payments are included in the calculation (i.e.169,077,274, for the FDR). The same applies to '*direct payments*'.

Type of expenditure (1)	Irregularities detected and reported 2013-2017 / Payments 2013-2017		
	FDR	IDR	Total
Intervention in agricultural markets	1.16%	1.38%	2.5%
Direct payments	0.01%	0.06%	0.1%

(1) Cases concerning only 'intervention in agricultural markets' (and not also other measures) are considered ('pure' cases). 'Mixed' cases are left out of this Table. The same applies to 'direct payments' (only 'pure' cases).

Figures in Table NR13\_a represent the upper limit of FDR and IDR for '*intervention in agricultural markets*' or '*direct payments*', as they include amounts that are linked to irregularities or fraud related also to other types of expenditure.

Figures in Table NR13\_b represent the lower limit of FDR and IDR for '*intervention in agricultural markets*' or '*direct payments*', as they exclude part of the amounts of the 'mixed' cases that could be related to the relevant types of expenditure.<sup>38</sup>

As FDR and IDR in Tables NR13\_a and NR13\_b are similar, it can be concluded that they are not significantly sensitive to this 'mixed' cases issue.

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

FDR and IDR for '*Support to agriculture*' ('SA') is calculated on the basis of the amounts (of the irregularities or fraud) related to cases where only this type of expenditure is involved. The same applies with reference to FDR and IDR for '*Rural development*' ('RD'). Table NR13\_c shows the outcome of this calculation.

There are a number of cases that have not been classified as 'pure' 'RD' or 'SA' cases. They are reported as 'mixed' cases (RD/SA). 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'.

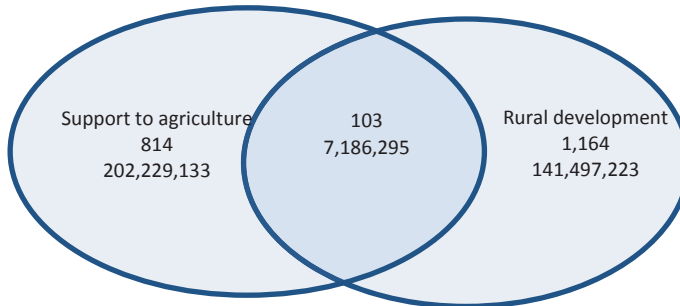
Type of expenditure	Irregularities detected and reported 2013-2017 / Payments 2013-2017		
	FDR	IDR	Total
Support to agriculture (SA)	0.09%	0.16%	0.2%
Rural development	0.25%	1.05%	1.3%
<b>Global <sup>(1)</sup></b>	<b>0.13%</b>	<b>0.36%</b>	<b>0.5%</b>

(1) Global also includes cases where fraud or irregularity concern both direct support to agriculture and rural development (SA/RD cases). Figures referring to the specific type of support do not consider these 'mixed' SA/RD cases

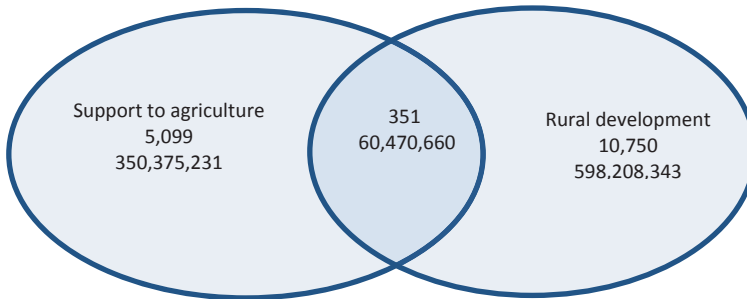
An analysis is then warranted of how sensitive FDR and IDR are to the presence of these RD/SA 'mixed' cases. As a first step, an assessment is required of the number of these 'mixed' cases and the amounts involved. Fig. NR4-NR6 show the outcome of this assessment, respectively for cases reported as fraudulent,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

<sup>38</sup> 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 where '*intervention in agricultural markets*' (or '*direct payments*') is combined with other budget codes from years before 2006. Excluding also these cases would lower the indicators further.

**Fig. NR4: Irregularities and amounts reported as fraudulent by type of expenditure – 2013-2017**



**Fig. NR5: Irregularities and amounts not reported as fraudulent by type of expenditure – 2013-2017**



**Fig. NR6: Irregularities and amounts reported by type of expenditure – 2013-2017**

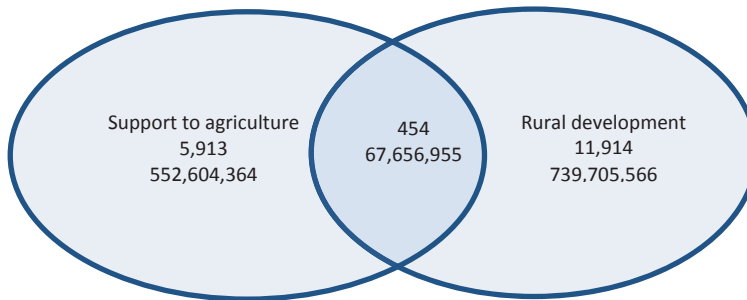


Table NR13\_d shows FDR and IDR where 'mixed' cases are added both for 'rural development' and 'support to agriculture'. In practice, for 'rural development', also all the amounts related to 'mixed' cases' are added to the amounts related to the 'pure' rural development cases (i.e. 7,186,295 for the FDR). The same applies to 'support to agriculture'. Therefore, FDR and IDR in Table NR13\_d are somehow inflated and represent the upper limit.

Table NR13\_d: FDR and IDR by type of expenditure

Type of expenditure (1)	Irregularities detected and reported 2013-2017 / Payments 2013-2017		
	FDR	IDR	Total
Support to agriculture (SA) (2)	0.09%	0.18%	0.3%
Rural development (RD) (2)	0.26%	1.16%	1.4%

(1) In some cases, fraud or irregularity concern both direct support to agriculture and rural development (SA/RD cases). The full financial amounts of these 'mixed' SA/RD cases are added both to figures referring to 'support to agriculture' and 'rural development' (implying double counting).

As FDR and IDR in Tables NR13\_c and NR13\_d are similar, it can be concluded that they are not significantly sensitive to this 'mixed' cases issue. The biggest variation concerns the IDR for rural development, which amounts to 0.1 or about 10% of the IDR.

## Annex 14

### *Full description of 'reasons for performing control'*

<b>Description in Tables NR16, NR17, NR18, NR19, NR20, NR21, CP19, CP20</b>	<b>Full description</b>
media	Information published in the media
tip	Tip from informant, whistle-blower etc.
complaint	Complaint
confession	Spontaneous confession
refusal	Refusal to accept controls
conduct	Suspicious conduct
admin. enq.	Administrative enquiry
judicial enq.	Judicial enquiry
mutual Assistance	Mutual Assistance Message (reg. 515/97)
info from EU	Information and/or request from EU-body
irr. from EU	Irregularity detected and reported by EU-body
request MS	Request by other Member State
irr. from MS	Irregularity detected and reported by other Member State
scrutiny 4045	Scrutiny on basis of Reg. 4045/1989
scrutiny 3508	Scrutiny on basis of Reg. 3508/1992 & 1782/2003 (IACS)
control 386	Control on basis of Reg. 386/1990
scrutiny 485	Scrutiny on basis of Reg. 485/2008
routine	Routine
prob. checks	Probability checks
chance	Chance
random	Random check
doubts	Existing doubts
risk analysis	Risk analysis
stat. analysis	Statistical analysis

comp. data	Comparison of data
reconciliation	Account reconciliation
payment	Intermediate or full payment
Paym. balance	Payment of balance
release guarantee	Release of guarantee
review	Review of conditions
other	Other

## ANNEX 15

### *Full description of themes in Figures CP1 and CP2*

<b>Description in Figures CP1 and CP2</b>	<b>Full description</b>
R&TD activities in research centres	R&TD activities in research centres
R&TD infrastructure and centres of competence in a specific technology	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
Technology transfer and improvement of cooperation networks involving SMEs	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
Assistance to R&TD, particularly in SMEs	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
Advanced support services for firms and groups of firms	Advanced support services for firms and groups of firms
SMEs for env.	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production)
Investment in firms directly linked to research and innovation	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
Other investment in firms	Other investment in firms
Other measures to stimulate research and innovation and entrepreneurship in SMEs	Other measures to stimulate research and innovation and entrepreneurship in SMEs

## 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

**Annex 16 -Irregularities reported by Member States and Beneficiary Countries in 2017**

The number of irregularities reported measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures should not be interpreted as indicating the level of fraud in the Countries' territories.

COUNTRIES	FUNDS/TYPES OF EXPENDITURE																	CBC
	SA	RD	SA/RD	GUID	EFF	EMIFF	CF	ERDF	ESF	AMIF	YE	HRD	IPARD	PHARE REGD	TAIB	TIPAA	CBC	
AT	12	11		0	0	0	0	0	8	0	0	0	0	0	0	0	0	0
BE	13	4		0	0	0	0	0	10	41	0	2	0	0	0	0	0	0
BG	0	137	3	0	15	0	20	0	37	6	0	0	0	0	0	0	0	15
CY	0	0	0	0	3	0	8	0	17	5	0	0	0	0	0	0	0	0
CZ	7	26	0	0	7	0	60	0	219	29	0	0	0	0	0	0	0	0
DE	27	29	11	1	3	0	0	0	71	26	0	0	0	0	0	0	0	0
DK	7	5	0	0	1	0	0	0	2	1	0	0	0	0	0	0	0	0
EE	0	45	0	0	4	0	6	0	17	2	0	0	0	0	0	0	0	0
ES	192	148	0	0	15	0	129	0	937	54	0	0	0	0	0	0	0	0
FI	0	7	0	0	1	0	0	0	4	3	0	0	0	0	0	0	0	0
FR	74	97	0	0	0	0	0	0	26	0	0	0	0	0	0	0	0	0
GR	50	69	1	0	3	0	83	0	290	138	0	0	0	0	0	0	0	0
HR	12	18	0	0	1	0	0	0	7	3	0	0	0	6	0	0	0	4
HU	55	160	1	0	4	0	3	0	147	1	0	0	0	0	0	0	0	0
IE	3	17	0	0	0	0	0	0	31	13	0	0	0	0	0	0	0	0
IT	447	108	56	1	0	0	0	0	523	34	0	0	0	0	0	0	0	0
LT	32	100	11	0	2	0	54	0	15	2	0	0	0	0	0	0	0	0
LU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LV	0	18	1	0	3	1	9	0	20	4	0	0	0	0	0	0	0	0
MT	3	10	0	0	0	0	7	0	13	4	0	0	0	0	0	0	0	0
NL	19	32	0	0	36	0	0	0	22	8	0	0	0	0	0	0	0	0
PL	59	151	2	0	16	0	21	0	487	39	0	0	0	0	0	0	0	0
PT	38	367	0	0	61	2	0	0	287	54	0	0	0	0	0	0	0	0
RO	166	343	0	0	10	0	33	0	199	201	1	0	0	1	0	0	0	1
SE	1	5	0	0	0	0	0	0	3	8	0	0	0	0	0	0	0	0
SI	4	9	2	0	0	0	0	0	42	1	0	0	0	0	0	0	0	0
SK	1	47	2	0	4	0	35	0	221	65	0	0	0	0	0	0	0	0
UK	12	41	1	0	4	0	0	0	162	249	0	0	0	0	0	0	0	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
TR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>1,234</b>	<b>2,004</b>	<b>92</b>	<b>2</b>	<b>193</b>	<b>3</b>	<b>468</b>	<b>3,817</b>	<b>991</b>	<b>1</b>	<b>2</b>	<b>15</b>	<b>57</b>	<b>1</b>	<b>10</b>	<b>12</b>	<b>4</b>	<b>21</b>



Annex 16 - Irregular amounts related to irregularities reported by Member States and Beneficiary Countries in 2017

COUNTRIES	FUNDS/TYPE OF EXPENDITURE																	
	SA	RD	SA/RD	GUID	EFF	EMFF	CF	ERDF	ESF	AMIF	YB	HRD	IPARD	PHARE REGD	TAIB	TIPAA	CBC	
AT	278,386	333,232	0	0	0	0	0	2,418,922	0	0	0	0	0	0	0	0	0	0
BE	259,137	53,803	0	0	0	0	0	3,908,289	2,184,589	0	978,381	0	0	0	0	0	0	0
BG	0	14,797,063	266,213	0	1,440,897	0	23,733,411	3,951,804	614,732	0	0	0	0	0	0	0	20,932	0
CY	0	0	0	0	89,666	0	1,568,017	1,559,172	517,799	0	0	0	0	0	0	0	0	0
CZ	132,877	1,444,222	0	0	171,496	0	9,062,193	56,079,226	2,246,238	0	0	0	0	0	0	0	0	0
DE	1,275,163	1,835,420	308,542	38,250	256,184	0	0	11,277,601	604,661	0	0	0	0	0	0	0	0	0
DK	216,293	97,323	0	0	370,349	0	0	54,793	301,230	0	0	0	0	0	0	0	0	0
EE	0	4,012,701	0	0	176,671	0	2,939,611	4,968,354	43,268	0	0	0	0	0	0	0	0	0
ES	9,736,353	7,995,266	0	0	1,729,031	0	41,115,644	317,296,375	7,194,956	0	0	0	0	0	0	0	0	0
FI	0	137,810	0	0	26,786	0	0	222,271	399,252	0	0	0	0	0	0	0	0	0
FR	4,489,114	1,858,977	0	0	0	0	0	4,008,636	0	0	0	0	0	0	0	0	0	0
GR	874,453	855,885	833,632	0	167,931	0	103,253,537	144,313,872	26,101,758	0	0	0	0	0	0	0	0	0
HR	287,078	592,670	0	0	21,599	0	0	1,536,613	80,962	0	0	0	1,363,907	0	0	0	0	4,139
HU	4,345,648	7,830,764	14,535	0	126,318	0	8,911,748	19,645,905	13,293	0	0	0	0	0	0	0	0	0
IE	48,514	769,584	0	0	0	0	0	1,635,228	1,664,905	0	0	0	0	0	0	0	0	0
IT	26,423,137	14,505,028	5,202,117	27,616	0	0	0	84,410,812	2,379,421	0	0	0	0	0	0	0	0	0
LT	707,734	5,616,252	308,184	0	60,139	0	19,068,911	4,356,113	185,395	0	0	0	0	0	0	0	0	0
LU	0	0	15,857	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LV	0	769,043	14,412	0	458,437	15,821	3,242,109	7,458,147	51,760	0	0	0	0	0	0	0	0	0
MT	372,454	560,446	0	0	0	0	0	1,898,863	145,583	0	0	0	0	0	0	0	0	0
NL	1,142,330	523,499	0	0	0	0	312,072	2,435,936	2,795,191	0	0	0	0	0	0	0	0	0
PL	38,919,955	5,562,435	25,799	0	4,556,603	0	17,195,737	188,898,694	4,728,430	0	0	0	0	0	0	0	0	0
PT	1,182,293	25,551,136	0	0	9,481,505	262,062	0	82,829,688	2,839,927	0	0	0	0	0	0	0	0	0
RO	35,196,411	33,302,035	0	0	3,674,444	0	34,849,424	109,722,329	21,918,150	11,951	0	0	0	0	0	0	649,636	0
SE	2,006,590	120,828	0	0	0	0	0	74,965	794,642	0	0	0	0	0	0	0	0	0
SI	108,085	228,204	25,581	0	0	0	0	3,978,244	13,721	0	0	0	0	0	0	0	0	0
SK	14,926	4,266,226	62,233	0	380,289	0	112,653,849	144,924,936	22,472,079	0	0	0	0	0	0	0	0	0
UK	636,865	916,009	25,999	0	72,604	0	0	7,188,465	3,374,560	0	0	0	0	0	0	0	0	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,950	0	0	0
TR	0	0	0	0	0	0	0	0	0	0	0	1,643,578	11,055,390	0	2,473,443	121,749	0	22,388
<b>TOTAL</b>	<b>128,653,696</b>	<b>134,525,870</b>	<b>7,103,104</b>	<b>65,866</b>	<b>23,260,948</b>	<b>277,883</b>	<b>377,906,264</b>	<b>1,211,074,255</b>	<b>103,666,201</b>	<b>11,951</b>	<b>978,381</b>	<b>1,643,578</b>	<b>12,419,297</b>	<b>0</b>	<b>2,501,393</b>	<b>121,749</b>	<b>697,096</b>	<b>0</b>