



Brussels, 20.9.2021  
SWD(2021) 258 final

PART 1/2

## COMMISSION STAFF WORKING DOCUMENT

**Statistical evaluation of irregularities reported for 2020: 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**

**32<sup>nd</sup> Annual Report on the protection of the European Union's financial interests - Fight  
against fraud - 2020**

{COM(2021) 578 final} - {SWD(2021) 257 final} - {SWD(2021) 259 final} -  
{SWD(2021) 262 final} - {SWD(2021) 263 final} - {SWD(2021) 264 final}

## CONTENTS

LIST OF ABBREVIATIONS.....	4
1. INTRODUCTION .....	5
1.1. Scope of the document.....	5
1.2. Structure of the document.....	5
2. TRADITIONAL OWN RESOURCES.....	6
EXECUTIVE SUMMARY .....	6
2.1. Introduction.....	8
2.2. General analysis – Trend analysis.....	8
2.2.1. Reporting years 2016-2020.....	8
2.2.1.1. Irregularities reported as fraudulent.....	9
2.2.1.2. Irregularities reported as non-fraudulent .....	9
2.2.2. OWNRES data vs TOR collection.....	10
2.2.2.1. Detection rates in the COVID-19 year of 2020 .....	11
2.2.3. Recovery .....	12
2.2.3.1. Recovery rates.....	12
2.3. Specific analysis.....	13
2.3.1. Irregularities reported as fraudulent.....	13
2.3.1.1. Categories of irregularities.....	13
2.3.1.2. Method of detection of fraudulent irregularities.....	14
2.3.1.3. Smuggled cigarettes .....	15
2.3.1.4. Textiles.....	15
2.3.1.5. Irregularities reported as fraudulent by amount.....	15
2.3.2. Irregularities reported as non-fraudulent.....	16
2.3.2.1. Categories of irregularities.....	16
2.3.2.2. Method for detecting non-fraudulent irregularities.....	16
2.3.2.3. Shoes are vulnerable to irregularities.....	18
2.3.2.4. Irregularities reported as non-fraudulent by amount .....	18
2.3.3. Fraudulent and non-fraudulent irregularities and goods related to COVID-19.....	18
2.4. Member States’ activities.....	19

2.4.1.	Classification of irregularities as fraudulent and non-fraudulent and related rates .....	19
2.4.2.	Recovery rates.....	20
2.4.2.1.	Irregularities reported as fraudulent.....	20
2.4.2.2.	Irregularities reported as non-fraudulent .....	20
2.4.2.3.	Historical recovery rate (HRR).....	21
2.4.3.	Commission’s monitoring.....	21
2.4.3.1.	Examination of the write-off reports.....	21
2.4.3.2.	Commission’s inspections .....	21
2.4.3.3.	Particular cases of Member State failure to recover TOR .....	22
3.	COMMON AGRICULTURAL POLICY .....	23
	EXECUTIVE SUMMARY .....	23
3.1.	Introduction.....	25
3.2.	General analysis .....	27
3.2.1.	Irregularities reported in the years 2016-2020.....	27
3.2.2.	Irregularities reported as fraudulent.....	27
3.2.3.	Irregularities not reported as fraudulent.....	30
3.3.	Specific analysis.....	32
3.3.1.	Modus operandi .....	32
3.3.1.1.	Support to agriculture .....	32
3.3.1.2.	Rural development.....	35
3.3.2.	Fraud and Irregularity Detection Rates (FDR and IDR) by CAP components .....	37
3.3.3.	Market measures – fraudulent and non-fraudulent irregularities.....	38
3.3.4.	Reasons for carrying out checks .....	39
3.3.4.1.	Irregularities in relation to rural development .....	39
3.3.4.2.	Irregularities in relation to market measures .....	40
3.3.4.3.	Irregularities in relation to direct payments.....	41
3.4.	Anti-fraud work carried out by the Member States .....	42
3.4.1.	Duration of irregularities.....	42
3.4.2.	Detection of irregularities reported as fraudulent by Member State..	43
3.4.2.1.	Reported over the period 2016-2020 .....	43
3.4.2.2.	Reported in 2020.....	44
3.4.3.	Fraud and Irregularity Detection by sector and Member State.....	44
3.4.3.1.	Rural development.....	44

3.4.3.2. Market measures .....	49
3.4.3.3. Direct payments to farmers .....	53
3.4.4. Follow-up to suspected fraud .....	56
3.5. Recovery cases .....	58
MAIN FINDINGS .....	58

## LIST OF ABBREVIATIONS

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

## 1. INTRODUCTION

### 1.1. Scope of the document

This document<sup>1</sup> presents a statistical evaluation of the irregularities and fraud detected by the Member States during 2020, in the context of past years and relevant programming periods (PP). It covers both the revenue and expenditure sides of the EU budget. This analysis is based on the notifications provided by national authorities of cases of irregularities and suspected or established fraud. Their reporting is performed in fulfilment of a legal obligation enshrined in sectoral European legislation. The document accompanies the Annual Report adopted on the basis of article 325(5) of the Treaty on the Functioning of the European Union (TFEU), according to which “*The Commission, in cooperation with Member States, shall each year submit to the European Parliament and to the Council a report on the measures taken for the implementation of this article*”. Therefore, this document should be regarded as an analysis of the achievements of the Member States, in terms of detection and reporting.

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

### 1.2. Structure of the document

The present document is divided in two parts. The first part includes an analysis of the irregularities reported in the area of traditional own resources (revenue), as well as an analysis of the irregularities reported for expenditure for the Common Agricultural Policy.

The second part is composed of three sections dedicated to irregularities reported in the area of expenditure (i) for the cohesion policy, fisheries and other internal policies; (ii) for the pre-accession policy and (iii) under direct management.

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

Several annexes complement the information and data, providing a global overview of the irregularities reported according to the relevant sector regulations. Annexes 1 to 11 concern Traditional Own Resources, Annexes 12 and 13 complement information on the methodology for the analysis of irregularities concerning expenditure, Annex 14 covers all the expenditure sectors for which Member States and beneficiary countries have a reporting obligation.

---

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

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

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

## 2. TRADITIONAL OWN RESOURCES

### EXECUTIVE SUMMARY

A year like no other before, 2020 was marked by the COVID-19 pandemic which had important economic and social impact. Although some Member States resisted better than others, all were strongly affected.

In 2020, the import volume of the EU27 decreased by 11.6% compared to the previous year. Nevertheless, the overall detection of fraudulent and non-fraudulent irregularities in traditional own resources (TOR) remained at a level similar to a normal reporting year. Indeed, during the period 2016-2020, around one fifth of the total number of fraudulent and non-fraudulent irregularities and of the related amounts were reported in 2020.

The decrease in import volume and a significant shift toward e-commerce caused by the pandemic have led not only to changes in the number of customs declarations to be cleared but also to a shift in customs workload and work patterns. The reaction of the national authorities to those challenges and the speed with which the customs authorities were able to adapt to new circumstances are only partially comparable, as the rules of lockdowns have been changing greatly over the year among the Member States and within specific regions in some Member States.

The different degree and length of the confinement measures as well as country-specific challenges influenced the possibilities of Member States to adapt to the changing reality.

However, some Member States were able to resist better and were more flexible in adjusting their customs control activities. As a result, in 2020 several Member States reported the highest TOR amount detected in cases of fraudulent and non-fraudulent irregularities during the period 2016-2020.

Nevertheless, the overall TOR amount reported in 2020 for cases of fraudulent and non-fraudulent irregularities decreased by 2% in comparison with 2019 and by 5% in comparison with the five-year average.

National anti-fraud services played a key role in detecting fraud in 2020. Inspections by anti-fraud services was the most successful method of detecting fraud and surpassed post-release controls and release controls in detecting fraudulent duty evasion.

Non-fraudulent irregularities were primarily detected by means of post-release controls. Tax audit gained importance as a detection method in 2020 in monetary terms as significant amounts were discovered during such controls.

Most cases reported in 2020 as fraudulent relate to undervaluation, incorrect classification/misdescription of goods or smuggling. Footwear, textiles, vehicles, electrical machinery and equipment were the types of goods most affected by fraud and irregularities in number of cases and in monetary terms. China remained also in 2020 the most important country of origin of goods affected by fraudulent and non-fraudulent irregularities.

For COVID-19 related goods such as protective garments, a slight increase in the amounts reported as irregular was observed in 2020. However, analysis shows that the impact of irregularities affecting COVID-19 related goods is typically low and remained relatively low in 2020 (6% of the total number of irregularities reported in 2020 and 3% of the related amounts).

In summary, Member States made a significant contribution to the EU's pandemic response in 2020. Customs authorities adjusted their customs controls strategies; anti-fraud services in several Member States generated new impulses and effectively countered fraud in the context of the COVID-19 crisis. This maintained the overall protection of the EU's financial interests in 2020 at a level similar to previous years, while ensuring smooth and unhampered trade flows for EU citizens and businesses.



## 2.1. Introduction

The technical explanations and the statistical approach are explained in the accompanying document *Methodology regarding the statistical evaluation of reported irregularities for 2015*<sup>3</sup>. In summary, the following statistics are prepared based on the total established and estimated amount of traditional own resources (TOR) as reported in OWNRES<sup>4</sup>. Figures on recovery are based only on established amounts.

To make it easier to compare results with previous years, the analysis for 2020 is based on the figures obtained for the EU of 27 Member States plus the UK<sup>5</sup>.

The following analysis is based on the data available on the cut-off date (15 March 2021). This analysis aims to provide an overview of the cases of fraud and irregularities reported for 2020 together with their financial impact.

## 2.2. General analysis – Trend analysis

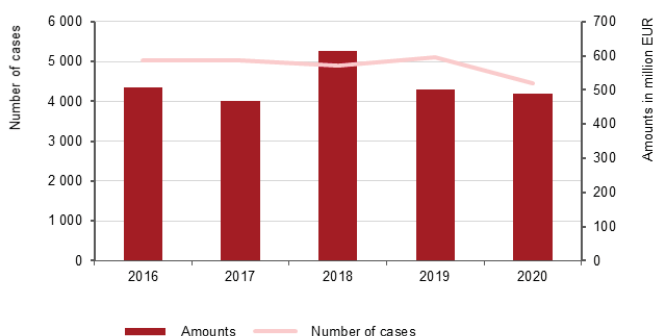
### 2.2.1. Reporting years 2016-2020

The number of cases reported via OWNRES for 2020 is 4 454. This is roughly 9% lower than the average number of irregular cases reported each year for the 2016-2020 period (4 897).

The total estimated and established amount of TOR involved for 2020 is EUR 490 million. This is roughly 5% lower than the average estimated and established amount for each year in 2016-2020 (EUR 516 million).

In 2020, five large<sup>6</sup> cases with a combined amount of about EUR 67 million<sup>7</sup> were reported. These five cases had a significant effect on the total estimated and established amount. In 2019, there were only three large cases with a combined amount of about EUR 70 million that affected the total estimated and established amount. Cyprus and Luxembourg did not communicate any case exceeding EUR 10 000.

CHART TOR1: Total number of OWNRES cases and the related estimated and established amount (2016-2020)



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

<sup>4</sup> OWNRES is the abbreviation for ‘Own Resources’. The OWNRES application is used by Member States to report fraudulent and non-fraudulent cases involving amount of TOR of more than EUR 10 000.

<sup>5</sup> The UK left the EU on 31 January 2020 and is no longer a member of the EU. However, the UK was still part of the internal market and customs union until 31 December 2020 as agreed in the UK-EU Withdrawal Agreement.

<sup>6</sup> Cases with a TOR amount exceeding EUR 10 million.

<sup>7</sup> BE (1 case – EUR 15 million), Germany (3 cases – EUR 35 million) and FR (1 case – EUR 17 million).

Annex 1 of the summary tables shows the situation on the cut-off date (15 March 2021) for the years 2016-2020.

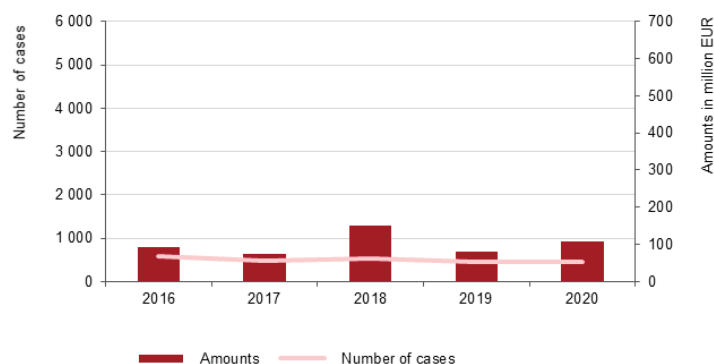
2.2.1.1. Irregularities reported as fraudulent

The number of cases reported as fraudulent registered in OWNRES for 2020 (451) is currently 9% lower than the average number of cases reported each year for 2016-2020 (498).

The total estimated and established amount of TOR involved (EUR 108 million) in 2020 is 6% greater than the average estimated and established amount for each year in 2016-2020 (EUR 102 million).

For 2020, Czechia, Cyprus, Luxembourg, and Malta did not communicate any fraudulent case exceeding EUR 10 000.

CHART TOR2: OWNRES cases reported as fraudulent and the related estimated and established amount (2016-2020)



On the cut-off date (15 March 2021), 10% of all cases detected in 2020 were classified as fraudulent. This is slightly more than in 2019 (9%).

Annex 2 of the summary tables shows the situation on the cut-off date for 2016-2020.

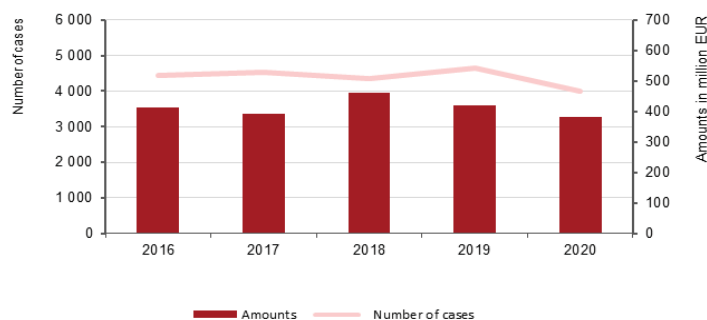
2.2.1.2. Irregularities reported as non-fraudulent

At the same time, the number of cases reported as non-fraudulent communicated via OWNRES for 2020 (4 003) was 9% lower than the average number reported each year in 2016-2020 (4 399).

The total estimated and established amount of TOR (EUR 382 million) was 8% lower than the average estimated and established amount for each year in 2016-2020 (EUR 414 million).

Bulgaria, Cyprus and Luxembourg did not report any case of irregularity exceeding EUR 10 000 for 2020.

CHART TOR3: OWNRES cases reported as non-fraudulent and the related estimated and established amount (2016-2020)



Annex 3 of the summary tables shows the situation on the cut-off date for 2016-2020.

### 2.2.2. OWNRES data vs TOR collection

In 2020, the total established amount of TOR (gross) was EUR 25 billion. Roughly 99% of this was duly recovered and made available to the Commission via the A-account. According to the OWNRES data, around EUR 490 million has been established or estimated by the Member States in connection with cases reported as irregular (fraudulent/non-fraudulent) where the amount at stake exceeds EUR 10 000.

The total estimated and established amount reported in OWNRES represents 1.97% of the total collected TOR (gross) amount in 2020<sup>8</sup>. This so-called detection rate has increased compared with 2019 when it was 1.79%<sup>9</sup>. A percentage of 1.97% indicates that, out of every EUR 100 of TOR (gross) established and collected, EUR 1.97 is registered as irregular (fraudulent or non-fraudulent) in OWNRES. There are differences in this percentage among the Member States. In 14 Member States<sup>10</sup> and the UK, the percentage is above the average of 1.97%. The highest percentage for 2020 can be seen in Hungary, Bulgaria, Lithuania and Croatia with 7.82%, 5.52% 4.16% and 3.61% respectively.

Seven<sup>11</sup> Member States and the UK established and made available most of the TOR amounts. For these seven Member States and the UK, the estimated and established OWNRES amounts was 1.94% of the established TOR for 2020. In comparison with the previous year (1.88%), this represents an increase of 0.06 percentage points. For the Netherlands, estimated and established OWNRES amounts as a percentage of established TOR decreased from 2.87% in 2019 to 0.79% in 2020. For Italy and the UK, it fell by 0.24 percentage points and 0.08 percentage points respectively. For the other five Member States<sup>12</sup>, the estimated and established OWNRES amounts as a percentage of established TOR increased from 1.74% in 2019 to 2.53 in 2020.

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

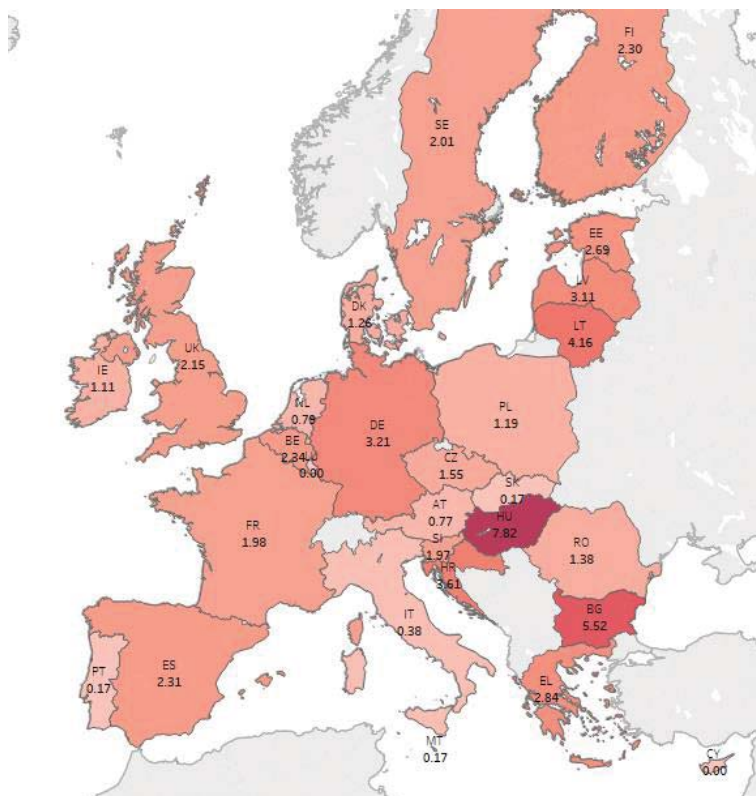
<sup>9</sup> On the cut-off date for the 2019 PIF report.

<sup>10</sup> Belgium, Bulgaria, Germany, Estonia, Greece, Spain, France, Croatia, Latvia, Lithuania, Hungary, Slovenia, Finland and Sweden.

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

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

TOR MAP1: Showing the percentage of estimated and established amount in OWNRES of established TOR for 2020



#### 2.2.2.1. Detection rates in the COVID-19 year of 2020

A year like no other before, 2020 was marked by the COVID-19 pandemic and a related sharp decrease in import flows. Trade within the EU of 27<sup>13</sup> Member States was hit hard. Imports fell significantly compared with 2019 (down 11.6%)<sup>14</sup>. The decrease in import volume and a significant shift towards e-commerce caused by the pandemic led to changes in the number of customs declarations to be cleared. It also led to a shift in customs workload and work patterns. The reaction of the national authorities to these challenges, and the speed with which the customs authorities were able to adapt to new circumstances, are only partially comparable. This is because the differences in lockdown rules between the Member States - and sometimes due to differences within specific regions of the same Member State.

Based on the overall figures, it seems however that the variation of the total number of cases reported as fraudulent or non-fraudulent and of the related amounts is rather within the usual range of the annual fluctuation<sup>15</sup> and, thus, not especially effected by the pandemic. However, the burden of the pandemic has hit Member States with different intensity.

Chart TOR4 shows the variation in the annual detection rate<sup>16</sup> by Member State in 2016-2020. It underlines that not all Member State customs authorities suffered in the same way

<sup>13</sup> The UK left the EU on 31 January 2020 and is no longer a member of the EU. However, the UK was still part of the internal market until 31 December 2020 as agreed in the UK–EU Withdrawal Agreement.

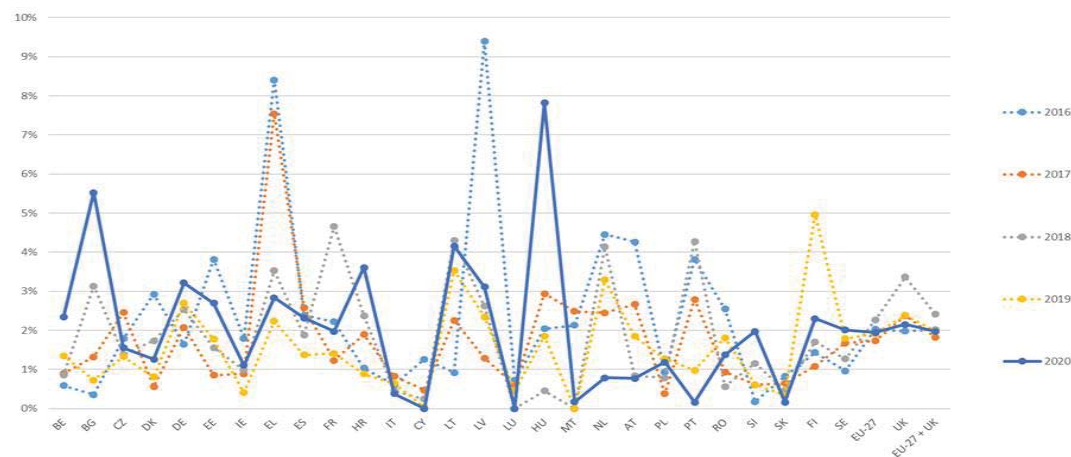
<sup>14</sup> Source: EUROSTAT, EU trade in goods strongly impacted by the COVID-19 pandemic in 2020, <https://ec.europa.eu/eurostat/product?code=DDN-20210325-1>

<sup>15</sup> Taking into account that new reporting rules for fraudulent and non-fraudulent cases detected during post-clearance were introduced in September 2019. A potential effect of this is that post-clearance detections are no longer artificially split based on the CN headings.

<sup>16</sup> Total established and estimated amount in OWNRES as a percentage of total gross TOR collected. Data as on the cut-off date of 15.3.2021.

from the COVID-19 pandemic. The 2020 detection rates<sup>17</sup> in Belgium, Bulgaria, Germany, Croatia, Hungary, Poland, Slovenia and Sweden were higher than these countries had achieved in previous 4 years. However, the detection rates in Italy, the Netherlands, Austria, Portugal and Slovakia were lower than they had achieved in any of the previous 4 years<sup>18</sup>.

Chart TOR4: Detection rates 2016-2020 by Member State and the UK



### 2.2.3. Recovery

The fraud and irregularity cases detected in 2020 were for an established amount of EUR 461 million<sup>19</sup>. Nearly EUR 296 million of this was recovered in cases where an irregularity was at stake, and EUR 32 million was recovered in fraudulent cases<sup>20</sup>. In total, EUR 328 million was recovered by all Member States for all cases detected in 2020. In absolute terms, Germany recovered the most in 2020 (EUR 144 million) followed by the UK (EUR 50 million) and Spain (EUR 35 million). The recovered amounts point out to fruitful recovery procedures in 2020 by Member States. Analysis shows that lengthy recovery procedures spread over several years are usually required due to administrative and judicial procedures in complex cases or cases with a large financial impact.

In addition, Member States continued their recovery actions for detected cases from previous years.

#### 2.2.3.1. Recovery rates

Over the past 5 years, the annual recovery rate has varied between 52% and 71% (see CHART TOR5). The recovery rate for cases reported in 2020 is currently 71%<sup>21</sup>. In other words, out of every EUR 10 000 of duties established and reported for 2020 in OWNRES as irregular/fraudulent, approximately EUR 7 100 has already been paid.

<sup>17</sup> Larger individual cases detected in a specific year may affect annual rates significantly. The detection rates can also be affected by the way a Member State's customs control strategy is set up to: (i) target risky imports and (ii) detect TOR-related fraud and irregularities.

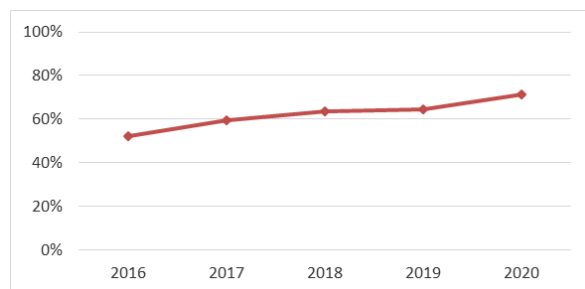
<sup>18</sup> No conclusion can be made for Cyprus, Luxembourg and Malta due to very few cases reported in 2016-2020.

<sup>19</sup> See Annex 5. The estimated amounts are excluded.

<sup>20</sup> See Annex 10.

<sup>21</sup> See Annex 5.

CHART TOR5: Annual recovery rates (2016-2020)



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

Recovery rates vary among the Member States. In 4 Member States, the entire established amount has already been recovered<sup>22</sup>, and in another 6 Member States, the recovery rates are above 90% (Denmark at 95%, Croatia at 94%, Germany at 93%, Sweden at 92%, Spain at 91% and Lithuania at 91%). Differences in recovery results may arise from factors such as the type of fraud or irregularity, or the type of debtor involved. Because recovery is ongoing, it can be expected that the recovery rate for 2020 will also increase in the future.

On the cut-off date (15 March 2021), the overall recovery rate for 1989-2020 was 64%.

### 2.3. Specific analysis

#### 2.3.1. Irregularities reported as fraudulent

##### 2.3.1.1. Categories of irregularities

A breakdown by types of fraud reveals that most fraudulent cases in 2020 were for incorrect declarations (incorrect classification, value, country of origin or use of preferential arrangements) and formal shortcomings (e.g. failure to comply with the customs procedures). Smuggling was the second most common fraud mechanism in 2020.

In 2020, the customs procedure ‘release for free circulation’ remained the procedure most vulnerable to fraud (accounting for 74% of cases and 85% of the estimated and established amount)<sup>23</sup>. The category ‘other’ accounted for 12% of all cases reported as fraudulent and 6% of all estimated and established amounts in OWNRES registered as fraudulent for 2020.<sup>24</sup> The customs warehouse procedure was involved in 11% of all cases reported as fraudulent and 4% of all estimated and established amounts in OWNRES cases registered as fraudulent for 2020.

Of all cases reported as fraudulent, about 80% concerned goods such as: tobacco; textiles and footwear; vehicles; electrical machinery and equipment; sugar; and articles of iron, steel and aluminium. In monetary terms, those groups of goods accounted for about 80% of all amounts estimated and established for cases reported as fraudulent. China, Thailand, Belarus,

<sup>22</sup> Estonia, Malta, Portugal and Slovakia.

<sup>23</sup> See Annexes 6 and 7.

<sup>24</sup> The category ‘Other’ combines, among others, the following procedures or treatments: (i) processing under customs control; (ii) temporary admission; (iii) outward processing and standard exchange system; (iv) exportation; (v) free zone or free warehousing; (vi) re-exportation; (vii) destruction; and (viii) abandonment to the exchequer.

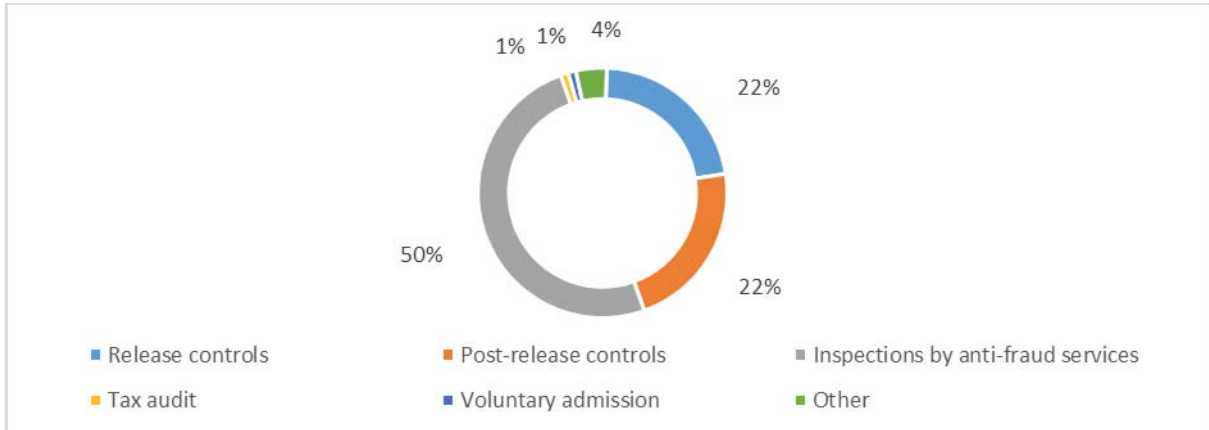


the United States, Bangladesh and Uruguay are the largest - in monetary terms - reported countries of origin of goods affected by fraud.

2.3.1.2. Method of detection of fraudulent irregularities

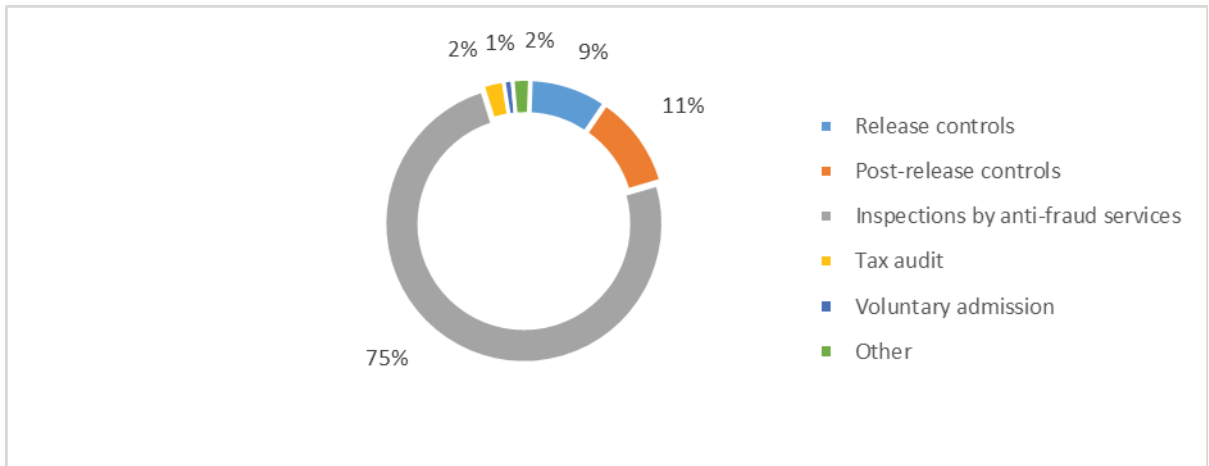
In 2020<sup>25</sup>, inspections by anti-fraud services was the most successful method of detecting fraudulent cases. These inspections uncovered 50% of the fraudulent cases. The next most successful methods were post-release controls (which uncovered 22% of fraudulent cases) and customs controls carried out at the time of releasing of goods (which uncovered 22% of all fraudulent cases).

CHART TOR6: Method of detection 2020 – Cases reported as fraudulent – by number of cases



In monetary terms, of the EUR 108 million estimated or established in fraudulent cases registered for 2020, around 75% was discovered during an inspection by anti-fraud services, 11% was discovered during a post-release control, and 9% during a control at the time of release of the goods.

CHART TOR7: Method of detection 2020 – Cases reported as fraudulent – by estimated and established amount



In nine Member States, more than 50% of all estimated and established amounts in fraudulent cases were detected by anti-fraud services<sup>26</sup>. Controls at the time of release of goods were the most significant method (in that these controls detected the largest amounts) for detecting fraudulent instances in Denmark, Estonia, Greece, Croatia, Latvia, Slovakia, Finland and the

<sup>25</sup> See Annexes 8 and 9.

<sup>26</sup> Belgium, Germany, Ireland, France, Italy, Lithuania, Portugal, Romania and Slovenia.

United Kingdom. Post-release controls were the most significant method (in that these controls detected the largest amounts) in Bulgaria, Hungary, the Netherlands and Sweden.

In Spain, 76% of all estimated and established amounts in fraudulent cases were detected by a tax audit. In Austria, 86% of all estimated and established amounts in fraudulent cases were detected during an audit of the accounts. In Poland, all types of controls were used but no single type was predominant in monetary terms.

### 2.3.1.3. Smuggled cigarettes

In 2020, 124 cases of smuggled cigarettes were registered (CN code<sup>27</sup> 24 02 20 90) involving an estimated TOR of around EUR 21 million. In 2019, 132 cases of smuggled cigarettes were registered, totalling around EUR 14 million.

The greatest number of cases was reported by Lithuania (39), Belgium (15), Greece (13) and Latvia (11). The largest amount was reported by Belgium (EUR 10 million). No cases were reported by 15 Member States<sup>28</sup>.

Table TOR1: Cases of smuggled cigarettes in 2020

TOR: Cases of smuggled cigarettes in 2020		
MS + UK	Cases	Established and estimated amount
	N	EUR
BE	15	10 158 237
DE	1	172 051
EE	6	1 032 346
IE	3	287 600
EL	13	1 920 396
FR	13	938 723
HR	5	746 587
LV	11	758 903
LT	39	4 208 176
PL	9	401 662
RO	4	112 326
FI	3	153 380
<b>EU-27</b>	<b>122</b>	<b>20 890 386</b>
<b>UK</b>	<b>2</b>	<b>34 292</b>
<b>EU-27+UK</b>	<b>124</b>	<b>20 924 678</b>

### 2.3.1.4. Textiles

In monetary terms, textiles were the goods most vulnerable to fraudulent irregularities in 2020. In total, 67 cases were reported, amounting to EUR 27 million. Undervaluation was the main type of irregularity. France, Bulgaria and Belgium were particularly affected by fraud, and seven other Member States were only marginally affected. Most of the cases were detected by anti-fraud services.

<sup>27</sup> Combined nomenclature or CN –nomenclature of the common customs tariff.

<sup>28</sup> Bulgaria, Czechia, Denmark, Spain, Italy, Cyprus, Luxembourg, Hungary, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Sweden.



2.3.1.5. *Irregularities reported as fraudulent by amount*

In 2020, the estimated and established amount was below EUR 100 000 in 323 cases reported as fraudulent (72% of all fraud cases), whereas it was above EUR 100 000 in 128 cases (28%).

The total estimated and established amount in cases reported as fraudulent, where the amount at stake was above EUR 100 000, amounted to EUR 97 million in 2020 (90% of the total estimated and established amount for cases reported as fraudulent).

Table TOR2: Cases reported as fraudulent by amount category in 2020

Amount, EUR	N	Estimated and established amount, EUR
< 100 000	323	10 427 852
>= 100 000	128	97 434 117
<b>Total</b>	<b>451</b>	<b>107 861 969</b>

2.3.2. *Irregularities reported as non-fraudulent*

2.3.2.1. *Categories of irregularities*

A breakdown of irregularities by mechanism type reveals that most cases reported as non-fraudulent relate to undervaluation. Incorrect use of preferential arrangements, incorrect origin/country of dispatching, or incorrect classification are also frequently mentioned.

Not all customs procedures are equally susceptible to irregularities. The vulnerability of a procedure may change over the course of time, as certain economic sectors become a target for fraud or unintentional irregularities occur. The customs procedure ‘release for free circulation’ is the customs procedure mostly affected by irregularities. This is because non-compliance in the customs declaration at the time of release for free circulation may be due to any one of many irregularities, e.g. to the tariff, CN code, (preferential) origin, incorrect value, etc. However, in customs suspension regimes (where the payment of duties is suspended, like in warehousing, transit, inward processing, etc.) the sole irregularity that can occur is the removal of the goods from customs supervision. It is therefore normal, and indeed to be expected, that most fraud and irregularities are reported in connection with the procedure ‘release for free circulation’.

In 2020, most of the estimated and established amounts in OWNRES for cases reported as non-fraudulent related to the customs procedure ‘release for free circulation’ (88%)<sup>29</sup>. In all, 10% of all amounts estimated or established in cases reported as non-fraudulent in 2020 involved inward processing. Other customs procedures were only marginally involved in cases reported as non-fraudulent in 2020.

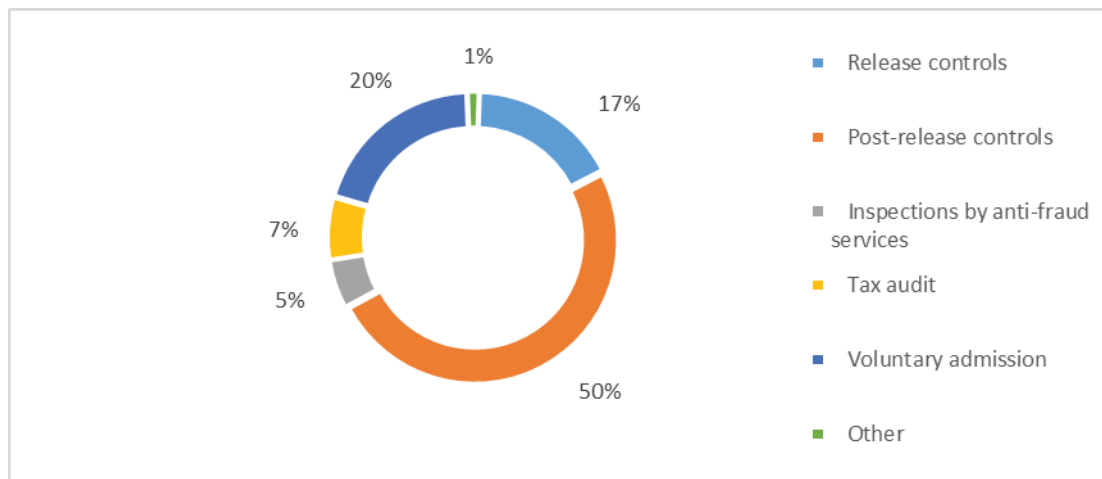
Of all cases reported as non-fraudulent, about 67% concerned textiles; electrical machinery and equipment; vehicles; plastics; footwear; mechanical machinery and appliances; articles of iron and steel; preparation of foodstuffs; organic chemicals; and chemical products. In monetary terms, those groups of goods accounted for about 80% of all amounts estimated or established for cases reported as non-fraudulent. China, the United States, India, Taiwan Japan, Russia, Turkey and Brazil are the most significant reported countries of origin of goods affected by irregularities.

<sup>29</sup> See Annexes 6 and 7.

2.3.2.2. Method for detecting non-fraudulent irregularities

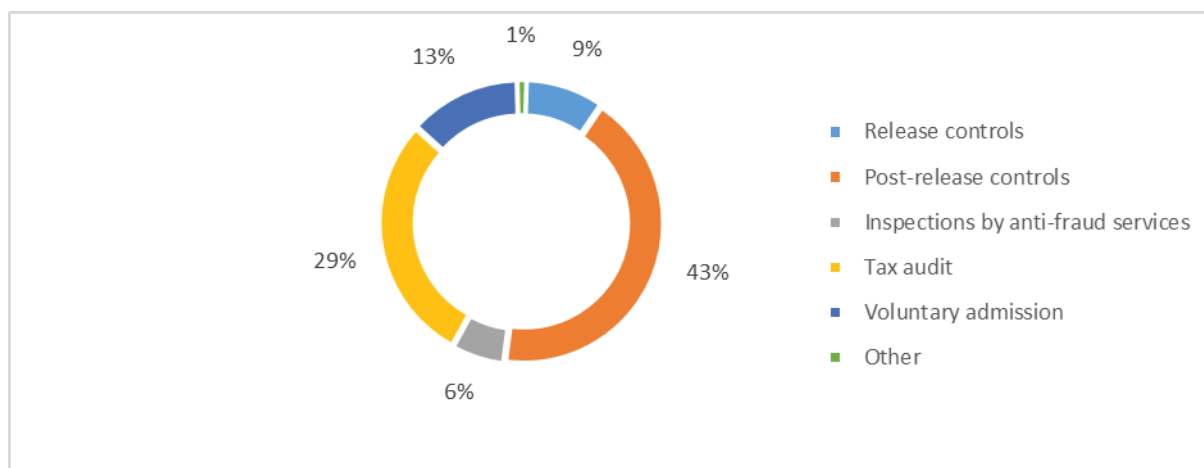
In 2020, most non-fraudulent cases (50%) were revealed during post-release customs controls. Other detection methods for non-fraudulent cases that featured frequently were voluntary admission (20% of detected non-fraudulent cases), release controls (17%), tax audits (7%), and inspections by anti-fraud services (5%).<sup>30</sup>

CHART TOR8: Method of detection 2020 – Cases reported as non-fraudulent – by number of cases



On the estimated or established amounts, around 43% of all irregularity cases registered for 2020 were discovered during a post-release control, 29% were discovered during a tax audit, 13% were uncovered due to voluntary admission, 9% were uncovered during a control at the time of releasing the goods, and 6% were found during an inspection by anti-fraud services.

CHART TOR9: Method of detection 2020 – Cases reported as non-fraudulent – by estimated and established amounts



In 12 Member States and the UK, more than 50% of the monetary amounts detected in all non-fraudulent cases were detected by post-release controls<sup>31</sup>. In Belgium, Portugal and Finland, more than 50% of the monetary amounts detected in non-fraudulent cases were detected by release controls. In Estonia, Ireland, Greece, Italy and Romania, more than 50%

<sup>30</sup> See Annexes 8 and 9.

<sup>31</sup> Czechia, Denmark, Croatia, Latvia, Lithuania, Hungary, Malta, the Netherlands, Austria, Poland, Slovakia and Sweden.

of the amounts in non-fraudulent cases were detected by anti-fraud services. In Germany, 63% of all amounts reported in non-fraudulent cases were found during a tax audit.

In 14 Member States<sup>32</sup> and the UK, voluntary admission was referred to as a method of detection for some cases reported as non-fraudulent. Significant amounts were reported by the UK (EUR 25 million) and Germany (EUR 16 million) as having been detected by voluntary admission.

### 2.3.2.3. Shoes are vulnerable to irregularities

In 2020, shoes were the category of goods most vulnerable to non-fraudulent irregularities in monetary terms. About 25% (EUR 96 million) of the total amount that was established in non-fraudulent irregularities concerned shoes. Out of a total of 17 Member States and the UK, Germany reported the most cases of irregularities from shoes (99 cases totalling to EUR 87 million). Incorrect value was the prevailing type of irregularity. Tax audits were the type of check that most frequently led to the discovery that licence fees had not been added to the declared customs value.

### 2.3.2.4. Irregularities reported as non-fraudulent by amount

In 2020, the estimated and established amount was below EUR 100 000 in 3 483 non-fraudulent cases (87% of all cases of irregularity), whereas it was above EUR 100 000 in 520 cases (13%).

The total estimated and established amount in non-fraudulent cases where the amount at stake was above EUR 100 000 amounted to EUR 293 million (77% of the total estimated and established amount for non-fraudulent cases).

Table TOR3: Cases reported as non-fraudulent by amount category in 2020

Amount, EUR	N	Estimated and established amount, EUR
< 100 000	3 483	89 505 350
>= 100 000	520	292 546 705
<b>Total</b>	<b>4 003</b>	<b>382 052 055</b>

### 2.3.3. Fraudulent and non-fraudulent irregularities and goods related to COVID-19

In 2020, there was a sharp increase in trade in goods related to COVID-19<sup>33</sup>. Imports of protective garments and oxygen equipment grew by 40% in 2020 compared to 2019. Imports of diagnostic testing equipment and sterilisation products increased by almost 20% compared to 2019. Imports of other medical goods, such as medical devices, rose by 5%.

However, analysis of these categories of goods<sup>34</sup> over 2016-2020 shows that there were no significant changes in irregularities reported for 2020 compared to previous years. The impact of irregularities affecting goods needed to address the COVID-19 pandemic is

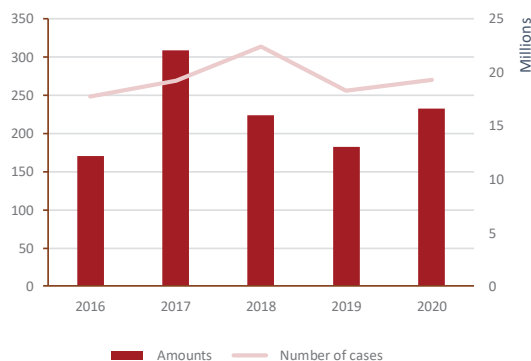
<sup>32</sup> Belgium, Czechia, Denmark, Germany, Ireland, Spain, France, Italy, Latvia, the Netherlands, Austria, Slovenia, Finland and Sweden.

<sup>33</sup> Source: EUROSTAT, EU trade in goods strongly impacted by the COVID-19 pandemic in 2020, <https://ec.europa.eu/eurostat/product?code=DDN-20210325-1>

<sup>34</sup> Not all imports of COVID-19-related goods fall under the scope of Commission Decision (EU) 2020/491 of 3 April 2020.

typically low and remained relatively low in 2020 (6% of irregularities reported in 2020 and 3% of the related amounts).

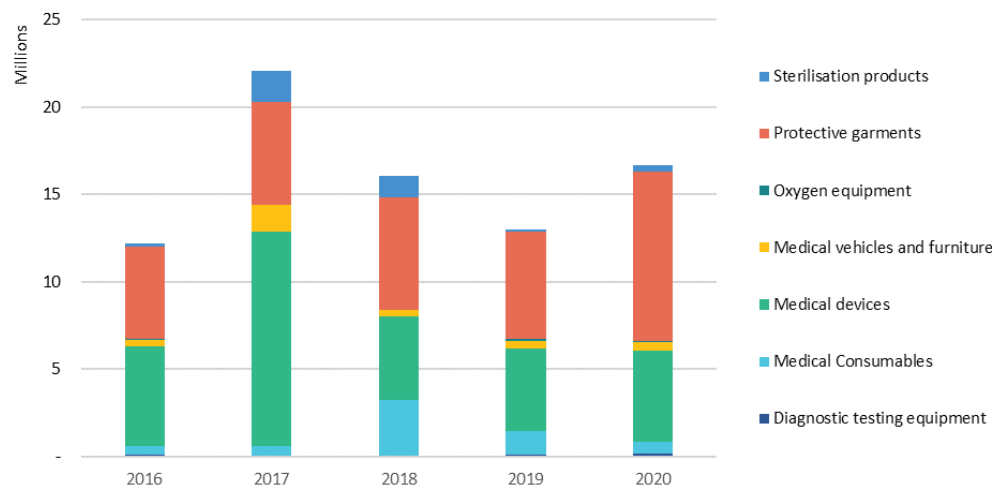
CHART TOR10: Cases related to COVID-19 goods reported as irregular and the related estimated and established amount (2016-2020)



In total, 270 cases amounting to EUR 16.6 million were reported by 17 Member States and the UK. Germany and the UK reported the most cases and the largest related amounts. The predominant types of irregularity were incorrect classification and incorrect value.

A slight increase in the amounts reported as irregular was observed in 2020, in particular for such goods as protective garments (gloves, boot covers, overshoes etc.), monitors and other medical equipment.

CHART TOR11: Cases related to COVID-19 goods reported as irregular and the related estimated and established amount (2016-2020)



## 2.4. Member States’ activities

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

For 2020, Member States reported 451 cases as fraudulent out a total of 4 454 cases reported via OWNRES. This indicates a fraud frequency level (FFL) of 10%. The differences between Member States are relatively large. In 2020, 11 Member States categorised between 10-50% of their national cases as fraudulent. However, Czechia, Cyprus, Luxembourg and Malta did not categorise any of their national cases as fraudulent.<sup>35</sup> Eight Member States and the UK

<sup>35</sup> Cyprus and Luxembourg did not report any irregular case in 2020.

categorised less than 10% of their national cases as fraudulent.<sup>36</sup> Four Member States registered more than 50%<sup>37</sup> of their national cases as fraudulent.

In 2020, the total estimated and established amount affected by fraud in the EU was EUR 108 million, and the overall incidence of fraud<sup>38</sup> was 0.43%. For 2020, the highest percentages can be seen in Bulgaria (5.52%), Lithuania (3.44%) and Croatia (2.59%).<sup>39</sup>

The total estimated and established amount affected by cases reported as non-fraudulent was more than EUR 382 million. This indicates an irregularity incidence<sup>40</sup> of 1.54%. The highest percentages for irregularity incidence can be seen in Hungary (7.74%), Germany (3.05%), Finland (2.21%), the UK (2.15%) and Spain (2.13%).<sup>41</sup>

There are large differences between Member States' classifications. These differences may partly be the result of different Member-State classification practices. This can influence comparisons of the amounts involved in cases reported as fraudulent and as non-fraudulent by Member States. Moreover, larger individual cases detected in a specific year may affect annual rates significantly. The rates can also be significantly influenced by factors such as: the type of traffic; type of trade; the level of compliance by businesses; and the location of the Member State. 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.

## 2.4.2. Recovery rates

### 2.4.2.1. Irregularities reported as fraudulent

In 1989-2020, OWNRES shows that, on average, 20% of the initially established amount was corrected (cancelled). The recovery rate (RR) for all years (1989-2020) is 39%<sup>42</sup>. The RR for cases reported as fraudulent and detected in 2020 was 37%<sup>43</sup>, which is the lowest annual rate for fraudulent cases reported in the last 5 years. The RR for cases reported as fraudulent is in general much lower than that for cases reported as non-fraudulent.

### 2.4.2.2. Irregularities reported as non-fraudulent

OWNRES shows that, on the cut-off date, on average 34% (1989-2020) of the initially established amount in relation to cases reported as non-fraudulent had been corrected (cancelled) since 1989. The RR for non-fraudulent cases reported for 2020 is 79%<sup>44</sup>. On the

<sup>36</sup> Denmark (6%), Germany (6%), Spain (3%), Hungary (7%), the Netherlands (2%), Austria (6%), Finland (7%), Sweden (1%) and the UK (0%).

<sup>37</sup> Bulgaria (100%), Estonia (75%), Croatia (57%) and Lithuania (62%).

<sup>38</sup> Total established and estimated amounts related to fraudulent cases as a percentage of the total TOR collected by Member States.

<sup>39</sup> See Annex 4.

<sup>40</sup> Total established and estimated amounts related to non-fraudulent cases as a percentage of the total TOR collected by Member States.

<sup>41</sup> See Annex 4.

<sup>42</sup> This calculation is based on 19 740 cases, an established amount of EUR 2.87 billion (after already processed corrections) and a recovered amount of EUR 1.13 billion.

<sup>43</sup> See Annex 10.

<sup>44</sup> See Annex 10.

cut-off date, the annual RR for the last 5 years varied between 55% and 79%. The overall RR for all years (1989-2020) for all cases reported as non-fraudulent is 74%.<sup>45</sup>

#### 2.4.2.3. *Historical recovery rate (HRR)*

The HRR<sup>46</sup> confirms that, in the long term, recovery in cases reported as fraudulent is generally much less successful than in cases reported as non-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: HRR*

Irregularities	HRR 1989-2017
Reported as fraudulent	45.45%
Reported as non-fraudulent	90.08%
<b>Total</b>	<b>76.16%</b>

#### 2.4.3. *Commission's monitoring*

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

In 2020, 21 new write-off reports were submitted to the Commission by eight Member States. The Commission assessed 153 cases totalling EUR 76 million in 2020. In 74 of these cases, amounting to EUR 46 million<sup>47</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 the Member States were considered financially responsible for the loss. In addition, late payment interest totalling to EUR 35 million is due.

Examination of Member States' diligence in write-off cases is a very effective mechanism for gauging their activity in recovering money. It encourages national administrations to increase the regularity, efficiency and effectiveness of their recovery activity, since lack of diligence in recovery means individual Member States must foot the bill.

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

In its TOR inspections, the Commission has emphasised Member States' customs control strategies. The Commission also closely monitors Member-State actions and follow-up on observations made during the inspections.

For 2020, the Commission services performed TOR inspections (either on the ground in Member States or remotely) on: (i) the reliability of the TOR accounting and related statements; (ii) the keeping of the separate (B-) account and (iii) the corrections of the normal (A-) account. Considering the magnitude of the TOR losses at stake, DG BUDG also continued its inspection activities in 2020 on the control strategy for customs value and monitored Member State measures to tackle undervaluation fraud.

<sup>45</sup> This calculation is based on 96 229 cases, an established amount of EUR 6.61 billion (after already processed corrections) and a recovered amount of EUR 4.89 billion.

<sup>46</sup> The HRR expresses the recovery result in both complex and simple cases. Established and closed cases from 2018 onwards are therefore excluded, because these are predominantly simple cases (complex cases can generally not be closed within 3 years).

<sup>47</sup> See Annex 11.



Due to the COVID-19 pandemic, the initial planning for TOR inspections had to be constantly adjusted depending on the particular lockdown measures in the Member States. Moreover, to implement the programme at least partially, DG BUDG carried out several inspections remotely. Finally, some inspections planned for 2020 had to be postponed to 2021, and the second annual inspection to some Member States was cancelled.

Nevertheless, the restricted inspections that were carried out made it possible to make some recommendations. These restricted inspections also revealed certain shortcomings, some of which have a potential financial impact. Where the Commission considers that cooperation and progress in tackling outstanding issues are insufficient, it applies corrective measures.

As stated in the 2019 PIF report, such corrective measures were already applied by the Commission against the UK. It calculated the TOR losses from the undervaluation fraud in textile and shoes imported from China via the United Kingdom based on the investigations carried out by OLAF and by DG BUDG as part of its management of own resources. Although those corrective measures are still subject to ongoing Court proceedings<sup>48</sup>, the Commission took further steps in 2020 to quantify the TOR losses that occurred in all Member States and sent them preliminary calculations of potential TOR losses for imports that took place on their territory. In addition, Commission quantified potential TOR losses with regard to the evasion of anti-dumping duties for solar panels and informed the Member States concerned.

Finally, one general conclusion can be drawn from the unprecedented year that was 2020. It became crystal clear that it is now vital to explore all ways to ensure that the Customs Union and Member States' customs authorities operate at maximal efficiency, remain flexible and resilient in times of crisis and better anticipate problems. This implies, above all, a new emphasis on ensuring greater availability and use of data and data analysis for customs purposes developing an appropriate set of tools to help with foresight and common crisis-management. Further steps are therefore required towards risk assessment at EU level, uniform controls and EU-wide and international coordination/cooperation to detect irregular cases bearing in mind that fraud diversion and spreading of specific fraud mechanisms are not constrained by national borders.

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

If TOR are not established or recovered because of an administrative error by a Member State, the Commission applies the principle of financial liability<sup>49</sup>, making individual Member States responsible for the error. Member States have been held financially liable in 2020 for over EUR 109 million<sup>50</sup>, and new cases are being appropriately followed-up.

---

<sup>48</sup> Court case C-213/19, Commission vs the UK.

<sup>49</sup> Case C-392/02 of 15/11/2005. These cases are typically identified: (i) on the basis of Articles 119 and 120 (administrative errors which could not reasonably have been detected by the person liable for payment) and 103(1) (time-barring resulting from the inactivity of the customs administration) of the Union Customs Code; or (iii) on the basis of non-observance by the customs administration of articles of the Union Customs Code giving rise to legitimate expectations on the part of an operator.

<sup>50</sup> It includes customs duties (EUR 39 million) and interest (EUR 70 million).

### 3. COMMON AGRICULTURAL POLICY

#### EXECUTIVE SUMMARY

Over the period 2016-2020, the level of detection of fraudulent irregularities related to rural development expenditure under the programming period 2014-2020 had a slow start (which might indicate insufficient detection work in the Member States). The level of detection decreased for the programming period 2007-2013, as expected. The level of fraud detected for support to agriculture (including direct aid to farmers and market measures) was stable.

Over the period 2016-2020, the rural development part of the budget was more affected by fraud than support to agriculture, as a proportion of the payments received by the Member States. However, the incidence of fraud for market measures was even higher than for rural development. Direct aid to farmers accounted for most payments, but the incidence of fraud was low, as it is entitlement-based and there are systems in place to support prevention. Similar patterns applied to non-fraudulent irregularities.

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

From 2016-2020, the majority of fraudulent irregularities concerning support to agriculture were related to the use of false documents, such as invoices or lease agreements, or false requests for aid. For example, this includes false information provided about the eligible area and compliance with other conditions for aid. Overdeclaration of products, species or land was also frequently detected. High financial amounts were recorded in several cases, related to the market measure 'Promotion' and investigated by OLAF, where conflict of interest was combined with other violations. The creation of artificial conditions for the purpose of receiving financial support is a potential risk. For example, beneficiaries may artificially split agricultural holdings and request aid via several linked companies, to avoid degressive aid rates or limits in terms of area or animals.

In terms of rural development fraud, fraudsters mainly used the practice of falsifying documents. For example, this may involve falsifying invoices, declarations of equipment as new while it is second-hand, bids in procurement procedures, or false information provided on compliance with the conditions for receiving the aid. A significant number of fraudulent irregularities concerned failure to fully implement the action. The creation of artificial conditions is a potential risk also for rural development funding. Concerning non-fraudulent irregularities, the majority were related to the action for which the funding was received, which most often was either not completed, not implemented or delayed.

Over 2016-2020, the highest number of fraudulent irregularities for market measures was found in national support programmes for the wine sector. An analysis has shown that in this domain irregularities are for (i) investment measures; (ii) promotion, especially in non-EU markets; and (iii) restructuring and converting vineyards. The highest total financial amount was found in the fruits and vegetables sector. A recent analysis has shown that fraudulent irregularities have an impact in particular on aid for producer groups for preliminary recognition, especially on investment measures. After the fruits and vegetable sector, the second highest total financial amount involved in fraudulent irregularities concerned the



'promotion' sector. An analysis has shown that irregularities concern both EU and non-EU markets.

The capability to detect irregularities and fraud is key to protecting the EU budget. The Commission recommended the Member States to further exploiting the potential of risk analysis and improving the spontaneous reporting of potential irregularities. So far, there has been little improvement on this in the Member States.

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

### 3.1. Introduction

Section 3 presents a statistical evaluation of irregularities and fraud detected by the Member States in 2020 in expenditure under the common agricultural policy (CAP). It provides context to these detections by looking at past years and relevant programming periods (PP).

Over the period 2016-2020, the CAP's overarching objectives were (i) viable food production; (ii) sustainable management of natural resources and climate action; (iii) balanced territorial development. Over 99% of expenditure was disbursed by Member States under shared management.

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

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

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

Table NR1 shows the 2020 budget for the CAP, which represents about 35% of the EU budget.

Table NR1: Financial year 2020 - EU27

Type of expenditure <sup>(1)</sup>	Management mode	Year 2020	
		Payments <sup>(2)</sup>	% of total EU budget
		EUR million	%
MM: Intervention in agricultural markets	Shared	2,520	1.6%
DA: Direct aid	Shared	38,258	24.9%
RD: Rural development	Shared	13,802	9.0%
<b>TOTAL</b>		<b>153,566</b>	<b>100.0%</b>

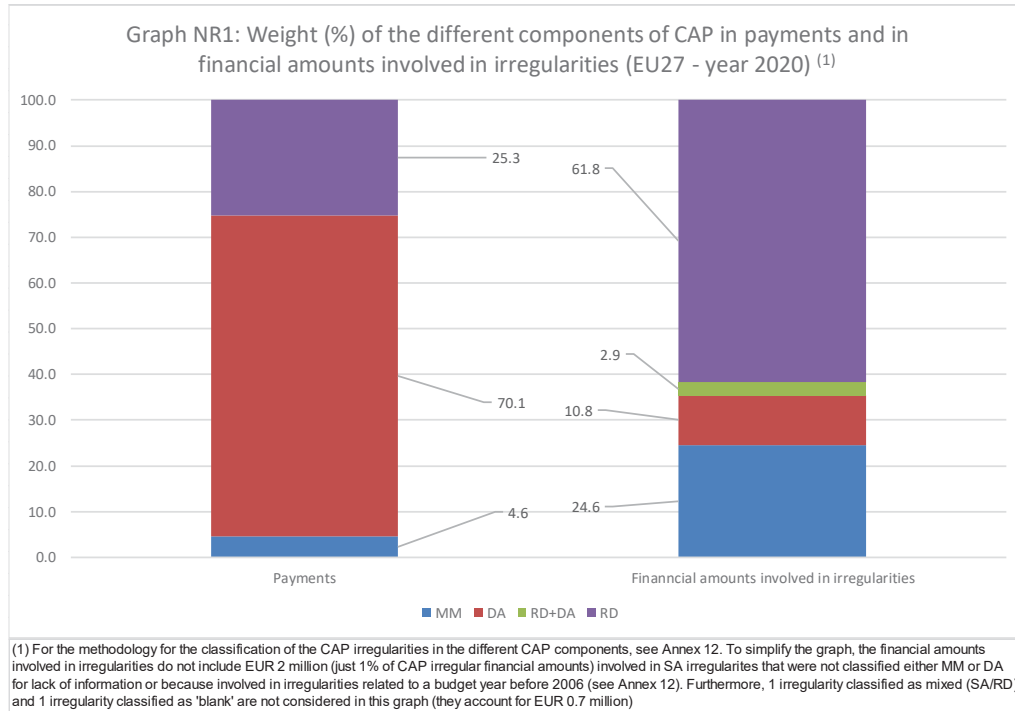
(1) 'Intervention in agricultural markets' includes budget chapter 05.02. 'Direct aid' includes Budget chapter 05.03. 'Rural development' includes budget chapter 05.04

(2) Payments related to MM, DA and RD include only payments to EU27. The Total cover the whole EU budget.

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

In 2020, rural development represented 25% of CAP payments, but over 60% of the financial amounts involved in CAP irregularities. This is even more pronounced for market measures, which accounted for 5% of payments and 24% of irregularities in terms of financial amounts.

The opposite applies to direct aid, which absorbs most of the CAP payments (70%), but only accounts for 11-13% of the irregularities in terms of the financial amounts involved.



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

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

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

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

## 3.2. General analysis

### 3.2.1. Irregularities reported in the years 2016-2020

The analysis in Section 3 refers to the EU-27, unless specified otherwise. **UK data is added in the tables, as specified, to give a complete picture. However, the accompanying analysis focuses on the current Member States and EU-27 in aggregate.** In the whole report, when reference is made to ‘fraudulent’ or ‘fraud’, this includes both ‘*suspected fraud*’ and ‘*established fraud*’.<sup>51</sup> Member States are requested to communicate irregularities involving financial amounts above EUR 10 000.<sup>52</sup> From 2016-2020, several Member States also reported several irregularities under this threshold. However, these cases represented only about 1% and 3% of the number of irregularities reported as non-fraudulent and fraudulent, respectively. To use all information reported by the Member States, they are included in the analysis for this Report.<sup>53</sup>

### 3.2.2. Irregularities reported as fraudulent

Table NR2 provides an overview of the number of irregularities reported as fraudulent by the Member States, broken down by the type of support, from 2016-2020.<sup>54</sup> The number of irregularities found in rural development spending fell sharply in 2017 and started rising again in 2020. **The irregularities found under support to agriculture were rather stable.**

---

<sup>51</sup> ‘*Suspected fraud*’ means an irregularity that gives rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in Article 1(1)(a) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities’ financial interests. Regardless of the approach adopted by each Member State, ratification of the 1995 Convention has equipped every country with a basis for prosecuting and possibly imposing penalties for specific conducts. If this happens, i.e. a guilty verdict is issued and is not appealed against, the case can be considered ‘*established fraud*’. See ‘*Handbook on ‘Reporting irregularities in shared management*’ (2017).

<sup>52</sup> The reporting of irregularities below this threshold between 2015-2019 was analysed in the framework of the 2019 PIF Report (see Section 3.2.1. of ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final (part 1/3)).

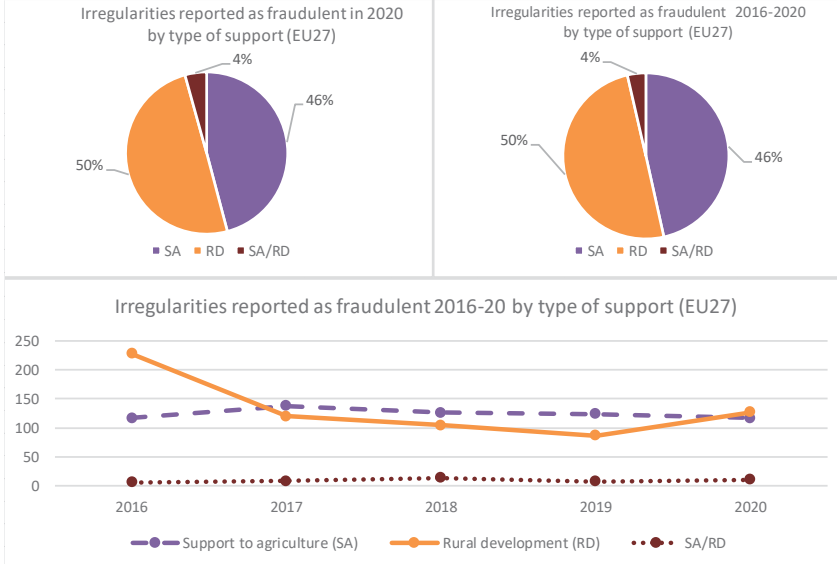
<sup>53</sup> Data for this Report was downloaded from the Irregularities Management System (IMS) on 8/3/2021. When entering a case into IMS, the contributor is requested to specify the currency in which the amounts are expressed. If the value of this field is left blank, no transformation is applied. If this field is filled with another currency, the financial amounts involved in the irregularity are transformed on the basis of the exchange rates published by the ECB at the beginning of 2021.

<sup>54</sup> The category ‘unclear’ is used where the information is considered insufficient to classify the irregularity in any other category. Annex 12 provides a detailed explanation of the classification of irregularities in SA, RD, SA/RD, ‘unclear’.

## Common Agricultural Policy

Table NR2 Number of irregularities reported as fraudulent by type of support - 2016-20 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	N	N	N	N	N	N
Support to agriculture (SA)	117	138	126	124	117	622
Rural development (RD)	228	120	105	87	127	667
SA/RD	6	9	14	8	11	48
Unclear	0	1	0	0	0	1
<b>TOTAL EU27</b>	<b>351</b>	<b>268</b>	<b>245</b>	<b>219</b>	<b>255</b>	<b>1,338</b>
UK	3	0	4	8	9	24



The irregularities in rural development expenditure reported from 2016-2020 concerned both PP 2007-2013 and PP 2014-2020. Table NR3 shows **the sharp fall in 2017 in the number of rural development cases related to PP 2007-2013, which was to be expected**, given that the PP closed in 2015. The slow start of detections related to PP 2014-2020 did not compensate for the drop in 2017. Since then, there have not been remarkable shifts in the number of fraudulent irregularities detected. Table NR4 shows the trends in terms of the financial amounts involved.

For PP 2014-2020, the slow start should be closely monitored to ensure it is not due to less of a focus on fraud detection. From 2009-2013, detections related to PP 2000-2006 (closed) and to PP 2007-2013 (at that time, under implementation) were overlapping, similar to what is happening now for detections related to PP 2007-2013 and PP 2014-2020. Table NR3 confirms that, during the first seven years of implementation, the management and control systems for PP 2014-2020 have detected far fewer fraudulent irregularities than those for PP 2007-2013 (in 2009-2013). This also applies to the financial amounts involved (Table NR4).

Table NR3

Comparison of the period 2016-2020 with period 2009-13	Number of irregularities reported as fraudulent - Rural development - EU27											
	2009	2010	2011	2012	2013	Total 2009-2013	2016	2017	2018	2019	2020	2016-2020
	PP 2000-2006	22	39	5	3	13	82					
PP 2007-2013	32	55	50	51	112	300	201	89	77	59	76	502
PP 2014-2020							26	31	28	28	51	164

Table NR4

Comparison of the period 2016-2020 with period 2009-13	Financial amounts involved in irregularities reported as fraudulent - Rural development - EU27											
	2009	2010	2011	2012	2013	2009-2013	2016	2017	2018	2019	2020	2016-2020
	PP 2000-2006	616,310	3,602,103	223,064	214,137	448,785	5,104,400					
PP 2007-2013	762,980	3,345,610	4,911,553	7,046,191	13,967,785	30,034,119	31,373,027	12,396,254	17,814,671	7,680,767	14,556,098	83,820,817
PP 2014-2020							8,801,958	3,983,971	2,476,988	3,883,285	4,645,337	23,791,539

As shown in Table NR2, several irregularities were classified SA/RD, meaning that they were related to both components of the CAP. Basically, in all of these irregularities,

**irregularities in rural development expenditure were found in combination with irregularities in direct aid to farmers.**

The detection of **fraudulent irregularities was concentrated in a few Member States.** From 2016-2020, the irregularities notified by the top five Member States in terms of cases reported (Romania, Poland, Italy, Bulgaria France) represented about 75% of all irregularities reported as fraudulent (80% of financial amounts). In 2020, this rose to 84%.

A deeper analysis of concentration was included in the 2018 PIF Report.<sup>55</sup> That analysis found that the **concentration of detections went beyond what could be expected given the level of concentration of payments.** This could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of the prevention or detection work or different practices at the stage of the procedure when potentially fraudulent irregularities are reported. **The concentration of detections was more accentuated for fraudulent rather than for non-fraudulent irregularities.** This suggests that **different approaches to criminal investigation and prosecution** could be an additional and significant factor giving rise to these different levels of detection across the Member States.

Table NR5 shows the **trend of financial amounts** involved in irregularities reported as fraudulent.<sup>56</sup> For rural development irregularities, similar to the trend in terms of number of detections, the financial amounts involved fell in 2017 and began rising again in 2020. The trend in the financial amounts involved in support to agriculture was heavily influenced by **two cases concerning market measures, worth between EUR 20 and 30 million each,** which Poland detected in 2017 and 2018. This is the reason for the significant increase found over these two years. Excluding these two irregularities, the irregular financial amounts detected in relation to **support to agriculture were rather stable, reaching a record low in 2020.**

Over the period 2016-2020, 50% of the irregular financial amounts involved were in support to agriculture irregularities, and 48% were for rural development irregularities. However, over the same period, rural development payments represented just 23% of the CAP budget. Therefore, **rural development expenditure was more affected by fraud than support to agriculture expenditure.** This is analysed further in Section 3.3.2., through the fraud detection rate, distinguishing between direct aid to farmers and market measures.

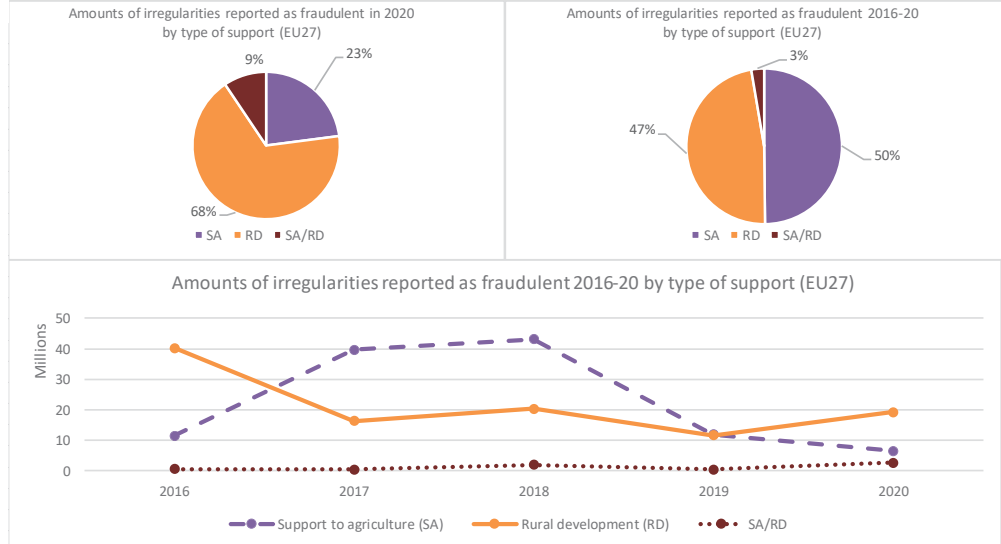
---

<sup>55</sup> Section 3.4.3 of ‘*Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2019)365 final.

<sup>56</sup> Fluctuations in the financial amounts involved in irregularities should not be misinterpreted. It must be kept in mind that a significant portion of financial amounts is linked to a relatively low number of cases. In this context, fluctuations are more likely and should not be overemphasised.

Table NR5: Financial amounts involved in irregularities reported as fraudulent by type of support - 2016-20 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
Support to agriculture (SA)	11,545,765	39,712,114	43,137,243	11,949,727	6,512,493	112,857,342
Rural development (RD)	40,187,446	16,380,225	20,291,659	11,564,051	19,201,435	107,624,816
SA/RD	515,918	395,991	1,957,622	494,476	2,671,201	6,035,208
Unclear	0	12,492	0	0	0	12,492
<b>TOTAL EU27</b>	<b>52,249,129</b>	<b>56,500,822</b>	<b>65,386,524</b>	<b>24,008,254</b>	<b>28,385,129</b>	<b>226,529,858</b>
UK	58,205	0	67,213	147,531	406,925	679,874



An analysis covering the period 2015-2019, included in the 2019 PIF Report<sup>57</sup>, shows that in most fraudulent irregularities, the ‘persons involved’<sup>58</sup> were legal entities. Most of them were **private companies**, followed by non-profit organisations, in particular **associations**. For a significant one third of cases, the ‘persons involved’ were natural persons. Most of the fraudulent irregularities involved a single entity.

### 3.2.3. Irregularities not reported as fraudulent

The number of rural development irregularities not reported as fraudulent increased constantly until 2015, in line with implementation of the programmes, while the number of irregularities related to support to agriculture remained stable. Since then, **rural development non-fraudulent irregularities fell sharply until 2017 and then stabilised.** (see Table NR6).

The irregular **financial amounts linked to rural development also peaked in 2015, then started to fall, a trend that accelerated in 2019** (see Table NR7). The irregular **financial amounts linked to support to agriculture fluctuated strongly** around an annual average of about EUR 70 million. This was mainly due to the fact that cases involving over EUR 10 million each were reported in 2017 (one case in Romania) and 2019 (two cases in Poland), but none were detected in 2016, 2018 and 2020.

The number of non-fraudulent irregularities in spending on rural development regularly and significantly exceeded the number on support to agriculture, over the entire 2016-2020 period. As a result, **the number of irregularities linked to rural development were over double the number affecting support to agriculture.** Rural development non-fraudulent

<sup>57</sup> See Section 3.3.5. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final.

<sup>58</sup> A person involved is anyone who had or has a substantial role in the irregularity. This could be the beneficiary, the person who initiated the irregularity (such as the manager, consultant or adviser), the person who committed the irregularity, etc.



irregularities also exceeded those in support to agriculture in terms of the financial amounts involved, but only by 46%.

Table NR6: Number of irregularities not reported as fraudulent by type of support - 2016-20 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	N	N	N	N	N	N
Support to agriculture (SA)	888	1,028	841	921	903	4,581
Rural development (RD)	2,235	1,725	1,729	1,605	2,086	9,380
SA/RD	44	54	54	51	26	229
Unclear	13	2	0	0	1	16
<b>TOTAL EU27</b>	<b>3,180</b>	<b>2,809</b>	<b>2,624</b>	<b>2,577</b>	<b>3,016</b>	<b>14,206</b>
UK	44	52	81	138	143	458

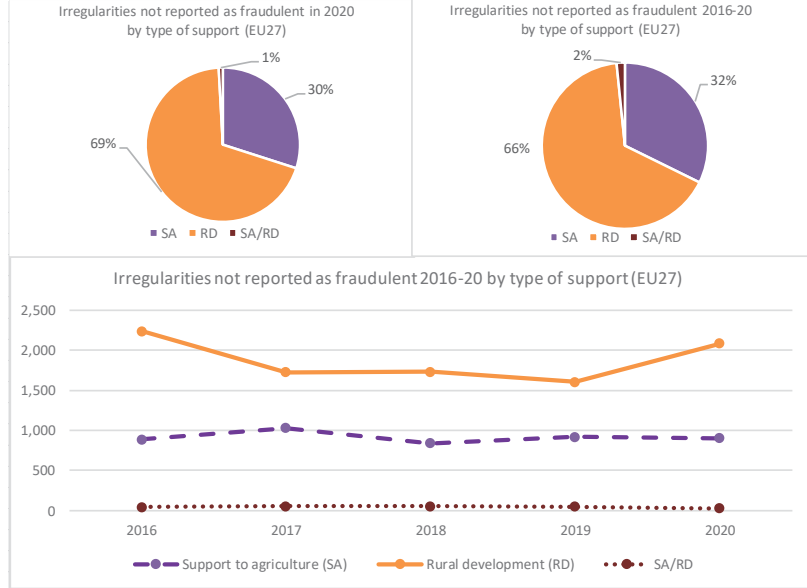
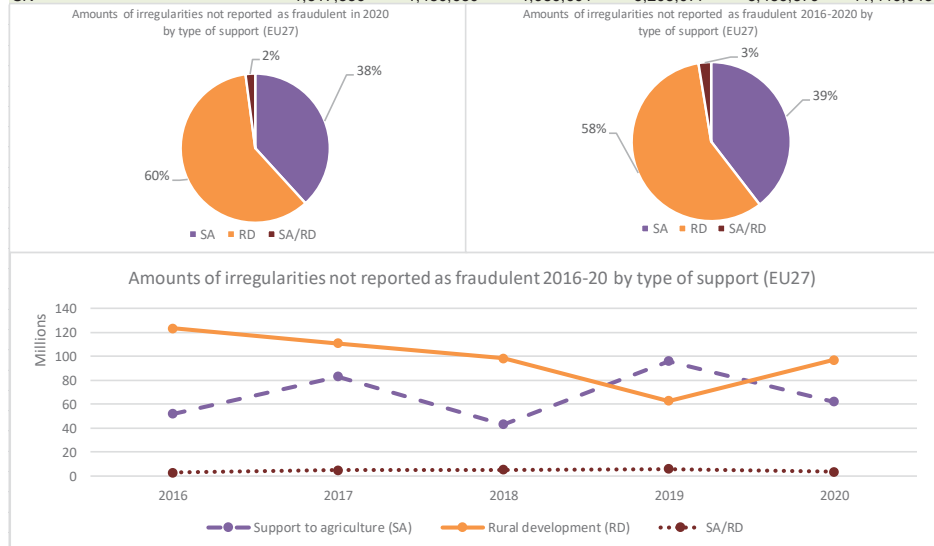


Table NR7: Financial amounts involved in irregularities not reported as fraudulent by type of support - 2016-20 for the CAP

Type of support	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
Support to agriculture (SA)	51,924,790	83,140,174	43,236,941	96,125,366	62,089,591	336,516,862
Rural development (RD)	123,464,267	110,832,743	98,417,115	62,722,747	96,906,942	492,343,814
SA/RD	2,683,957	4,705,813	5,274,470	5,795,687	3,395,070	21,854,997
unclear	192,720	36,022	0	0	30,073	258,815
<b>TOTAL EU27</b>	<b>178,265,734</b>	<b>198,714,752</b>	<b>146,928,526</b>	<b>164,643,800</b>	<b>162,421,676</b>	<b>850,974,488</b>
UK	1,317,336	1,480,650	1,986,601	3,205,077	3,456,379	11,446,043



Irregularities in rural development spending were found in both PP 2007-2013 and PP 2014-2020. Table NR8 shows the sharp fall from 2016 to 2019 in the number of rural development cases related to PP 2007-2013, which was to be expected, considering that this PP closed in 2015. The slow start of detections related to PP 2014-2020 did not



**compensate for this drop. The rebound in 2020** was due to both an increase in irregularities still related to PP 2007-2013 and the sharpest rise in irregularities related to PP 2014-2020 since its start. Table NR9 shows the trend in terms of the financial amounts involved.

Table NR8

Comparison of the period 2016-2020 with period 2009-2013	Number of irregularities not reported as fraudulent - Rural development - EU27											
	2009	2010	2011	2012	2013	Total 2009-2013	2016	2017	2018	2019	2020	Total 2016-2020
PP 2000-2006	279	209	122	90	53	753						
PP 2007-2013	145	286	555	1,005	1,493	3,484	1,693	1,460	1,235	840	901	6,129
PP 2014-2020							496	256	486	755	1,183	3,176

Table NR9

Comparison of the period 2016-2020 with period 2009-2020	Financial amounts involved in irregularities not reported as fraudulent - Rural development - EU27											
	2009	2010	2011	2012	2013	Total 2009-2013	2016	2017	2018	2019	2020	Total 2016-2020
PP 2000-2006	12,366,736	11,565,082	5,221,651	2,256,213	1,054,518	32,464,200						
PP 2007-2013	6,140,910	9,027,701	32,057,141	40,603,330	69,227,707	157,056,789	95,644,656	98,614,562	83,777,032	38,740,062	46,093,845	362,870,157
PP 2014-2020							23,130,511	6,654,120	14,472,171	23,715,962	50,763,150	118,735,914

**For PP 2014-2020, the slow start is in line with the situation at the start of the previous programming period.** Over the period 2009-2013, irregularities detected in rural development spending related to PP 2000-2006 (closed) and to PP 2007-2013 (at that time, under implementation) overlapped, similar to what is happening now for detections related to PP 2007-2013 and PP 2014-2020. Table NR8 confirms that, during the first seven years of implementation, the management and control systems for PP 2014-2020 detected a number of irregularities in rural development spending that is similar (-9%) to what the systems for PP 2007-2013 achieved during the seven first years of implementing of that PP (during 2009-2013). In terms of financial amounts, the gap was more significant (-25%), but these fluctuations should not be overemphasised, as they are often due to few cases with high amounts involved.

As shown in Table NR6, several irregularities were classified as SA/RD, meaning that they were related to both components of the CAP. In most of these cases, **irregularities in rural development spending were combined with infringements concerning direct aid to farmers.**

### 3.3. Specific analysis

#### 3.3.1. *Modus operandi*

##### 3.3.1.1. *Support to agriculture*

Table NR10 provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases **reported as fraudulent in relation to support to agriculture** in 2020 and the financial amounts involved. It also gives the figures for these categories (or combinations of categories) over the period 2016-2020.<sup>59</sup> In the following paragraphs, the adjective ‘pure’ is used to refer to cases where a specific category of irregularity is not combined with other categories.

**The irregularities reported in 2020 mainly concerned the documentary proof.** Over the whole period 2016-2020, irregularities concerning the **request** were also prevalent. Further analysis shows that, in most cases, it was due to **false documentary proof or false requests.** A wide range of documents can be falsified, such as invoices, lease agreements and property documents, and certifications of compliance with the conditionality requirements. Requests

<sup>59</sup> For the full description of the categories of irregularities and the related types of violations, please see Annex 13.

for aid could include false information about the eligible area, compliance with other conditions for aid, etc.

Over the period 2016-2020, the Member States detected few fraudulent cases of ‘pure’ ‘(non) action’, but these cases accounted for the second highest financial amount involved. Irregularities in the category ‘pure’ ‘product, species and/or land’ were more frequently detected, mostly for ‘overdeclaration and/or declaration of fictitious product, species and/or land’.

Although there were no such cases in 2020, over the whole period 2016-2020, 28 irregularities were reported in the category ‘pure’ ‘ethics and integrity’. All of these irregularities were communicated by Poland and were not reported under the types ‘conflict of interest’, ‘bribery’ or ‘corruption’, but as ‘other irregularities concerning ethics and integrity’. Most concerned the **creation of artificial conditions for receiving financial support**. For example, beneficiaries may artificially split agricultural holdings and request aid through several linked companies, to avoid degressive aid rates or limits in terms of area or animals. Other Member States may have reported this type of infringement under other categories.

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

Table NR10: Categories of irregularities reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	Irregularities reported as fraudulent in 2020		Irregularities reported as fraudulent 2016-20	
		N	EUR	N	EUR
T14	Documentary proof	95	4,148,094	296	13,346,596
T90	Other	7	501,919	16	1,143,833
T11	Request	6	428,146	122	8,001,114
T15	Product, species and/or land	5	309,622	55	7,715,180
T16	(Non-)action	3	1,080,667	29	26,128,492
T16   T14	(Non-)action/Documentary proof	1	44,045	4	106,438
T19	Ethics & Integrity	0	0	28	29,227,811
T11   T14	Request/Document proof	0	0	13	867,014
T12	Beneficiary	0	0	10	4,115,428
T11   T16	Request/(Non-)action	0	0	9	595,553
T13	Accounts & records	0	0	8	221,357
T11   T13	Request/Accounts & records	0	0	6	418,564
T11   T14   T16	Request/Document proof/(Non-)action	0	0	5	693,363
T12   T16   T19	Beneficiary/(Non-)action/Ethics & Integrity	0	0	5	9,374,623
T11   T14   T13	Request/Document proof/Accounts & records	0	0	3	484,975
T16   T40   T19	(Non-)action/Public procurement/Ethics & Integrity	0	0	2	3,953,696
T14   T15	Documentary proof/Product, species and/or land	0	0	2	26,502
T19   T16	Ethics & Integrity/(Non-)action	0	0	1	2,662,694
T19   T12	Ethics & Integrity/Beneficiary	0	0	1	2,287,276
T13   T12   T19	Accounts & records/Beneficiary/Ethics & Integrity	0	0	1	997,582
T14   T12   T11   T16	Documentary proof/Beneficiary/Request/(Non-)action	0	0	1	213,803
T14   T16   T13	Documentary proof/(Non-)action/Accounts & records	0	0	1	122,116
T13   T11	Accounts & records/Request	0	0	1	111,259
T15   T11   T13	Product, species and/or land/Request/Accounts & records	0	0	1	23,208
T15   T14   T11   T12   T13	Product, species and/or land/Documentary proof/Request/Beneficiary/Accounts & records	0	0	1	18,867
Null	Null	0	0	1	0
<b>TOTAL EU27</b>		<b>117</b>	<b>6,512,493</b>	<b>622</b>	<b>112,857,343</b>

Table NR11 provides an overview of the most frequent categories (or combinations of categories) of irregularities linked to cases **not reported as fraudulent in support to agriculture expenditure** in 2020 and the financial amounts involved. It also gives the total for these categories (or combinations of categories) for the period 2016-2020.

**Irregularities due only to the 'request' (pure) were by far the most recurrent category.** More specifically, during 2016-2020, the most recurrent type of violation by far was *'false or falsified request for aid'*, followed by *'incorrect or incomplete request for aid'* and *'product, species, project and/or activity not eligible for aid'*. This rate of irregularities related to **falsification would not be expected for non-fraudulent irregularities**. Similar findings apply to the category *'documentary proof'*. Violations concerning the category *'documentary proof'* were also quite frequent. Most of the times, from 2016-2020, these irregularities concerned missing, incomplete or incorrect documents. However, they also related to the type of violation *'false or falsified documents'*. This mostly happened in the past; no such case were reported in 2020.

**The highest irregular financial amounts were due to infringements concerning '(non) action'.** Nearly 30% of the irregular financial amounts reported over the period 2016-2020 for *'(non) action'* were due to two irregularities totalling about EUR 36 million. In this category, the three most reported types of violations concerned the action itself (not implemented or not completed), and *'refusal to repay not spent or unduly paid amounts'*.

Table NR11: Categories of irregularities not reported as fraudulent in relation to support to agriculture

Code	Category of irregularity	irregularities not reported as fraudulent in 2020		Irregularities not reported as fraudulent 2016-20	
		N	EUR	N	EUR
T11	Request	232	5,536,585	1,336	61,482,131
T15	Product/species and/or land	156	4,891,102	687	21,603,748
T16	(Non-)action	135	25,130,488	779	128,871,626
T14	Documentary proof	121	3,652,992	464	24,062,284
T12	Beneficiary	60	13,966,463	349	48,554,161
T19	Ethics & Integrity	59	1,763,632	174	4,594,944
T90	Other	59	3,116,356	342	18,428,009
T14   T11	Documentary proof/Request	13	936,817	58	3,400,322
T13	Accounts & records	9	318,005	73	3,278,763
T11   T16	Request/(Non-)action	7	362,186	34	1,739,667
T16   T14	(Non-)action/Documentary proof	6	338,390	16	1,570,611
T17   T13   T14	Movement/Accounts & records/Documentary proof	5	257,628	14	928,254
T16   T12	(Non-)action/Beneficiary	5	133,281	54	2,453,158
T16   T14   T11	(Non-)action/Documentary proof/Request	3	222,656	6	385,605
T13   T11   T14	Accounts & records/Request/Documentary proof	3	55,274	15	1,168,981
T13   T16	Accounts & records/(Non-)action	2	152,522	4	188,871
T12   T13   T14   T11	Beneficiary/Accounts & records/Documentary proof/Request	2	126,758	2	126,758
T13   T14	Accounts & records/Documentary proof	2	83,386	4	129,822
T15   T11	Product/species and/or land/Request	2	41,414	31	996,309
T14   T15	Documentary proof/Product/species and/or land	2	36,681	4	78,283
T15   T12   T16	Product/species and/or land/Beneficiary/(Non-)action	1	188,958	1	188,958
T12   T15	Beneficiary/Product/species and/or land	1	69,029	3	176,942
T11   T12	Request/Beneficiary	1	55,959	6	670,696
T11   T13	Request/Accounts & records	1	43,298	13	2,261,768
T11   T90	Request/other	1	33,691	3	395,956
T11   T14   T15	Request/Documentary proof/Product/species and/or land	1	23,535	24	1,087,176
Null	Null	7	59768.23	16	230638.52
ALL OTHER		7	492,740	69	7,462,421
<b>TOTAL EU27</b>		<b>903</b>	<b>62,089,591</b>	<b>4,581</b>	<b>336,516,863</b>

Other prevalent categories of irregularities in support to agriculture expenditure not reported as fraudulent were related to *'product, species and/or land'*, *'beneficiary'* or *'ethics and integrity'* (not combined with other categories of irregularity). For pure *'product, species and/or land'*, most violations concerned *'overdeclaration and/or declaration of fictitious product, species and/or land'*. In the category pure *'beneficiary'*, the most reported type of violation was *'operator/beneficiary not having the required quality'*. Infringements related

to *'ethics and integrity'* were less frequent than for the irregularities reported as fraudulent. Apart from one case of conflict of interest<sup>60</sup>, all of these violations were reported as *'other irregularities concerning ethics and integrity'*.

### 3.3.1.2. Rural development

Table NR14 provides an overview of the most frequent categories of irregularities **reported as fraudulent** in rural development expenditure in 2020 and the corresponding financial amounts. It also gives the total for these categories over the period 2016-2020.

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

A significant number of detections and irregular financial amounts were related to pure *'(non) action'*. Under this category, from 2016-2020, the most reported type of violation was ***'action not implemented'***.

The category pure *'ethics and integrity'* ranked high, with 83 irregularities found, but none reported in 2019 or 2020. **Only one irregularity was reported as corruption<sup>61</sup>.** Similar to support to agriculture cases, Poland communicated most of these violations and they were not reported under the types *'conflict of interest'*, *'bribery'* or *'corruption'*, but as *'other irregularities concerning ethics and integrity'*. Most of these violations concerned the **creation of artificial conditions for receiving financial support.** Other Member States may have reported this type of infringement under other categories of irregularity, such as the one referring to the beneficiary (for example, using the the type of violation *'operator/beneficiary not having the required quality'* or *'other'*).

---

<sup>60</sup> There was one additional case of conflict of interest in combination with other categories of violation. Both cases where conflict of interest was involved were related to market measures.

<sup>61</sup> However, another irregularity was reported where conflict of interest was mentioned (as an *'ethics and integrity'* issue) together with other violations concerning the documentary proof. In addition, nine cases of conflict of interest in public procurement processes were reported (under the category *'public procurement'* and not *'ethics and integrity'*), always combined with *'false or falsified request for aid'*. In two of these cases, conflict of interest was also combined with *'documents false and/or falsified'* and, in one case, with *'action not implemented'*.

Table NR12: Categories of irregularities reported as fraudulent in relation to rural development

Code	Category of irregularity	Irregularities reported as fraudulent in 2020		Irregularities reported as fraudulent 2016-20	
		N	EUR	N	EUR
T14	Documentary proof	69	7,653,462	252	22,401,257
T11	Request	19	2,082,475	61	11,489,470
T90	Other	14	7,469,921	59	39,155,581
T16	(Non-)action	4	470,284	61	8,947,903
T12   T14	Beneficiary/Documentary proof	4	436,318	10	770,094
T13	Accounts & records	4	63,095	12	331,479
T14   T11	Documentary proof/Request	3	314,742	18	1,684,903
T15	Product/species and/or land	2	44,841	17	375,725
T14   T15	Documentary proof/Product/species and/or land	1	234,000	1	234,000
T13   T14	Accounts & records/Documentary proof	1	126,980	2	141,719
T13   T16	Accounts & records/(Non-)action	1	124,050	1	124,050
T40	Public procurement	1	66,167	4	340,925
T12   T16   T90	Beneficiary/(Non-)action/Other	1	32,913	1	32,913
T14   T19	Documentary proof/Ethics & integrity	1	28,049	6	835,117
T40   T11	Public procurement/Request	1	27,138	9	548,350
T12   T16	Beneficiary/(Non-)action	1	27,000	1	27,000
T19	Ethics & integrity	0	0	83	8,867,930
T12	Beneficiary	0	0	18	1,958,567
T14   T16	Documentary proof/(Non-)action	0	0	10	2,064,963
T11   T16   T14	Request/(Non-)action/Documentary proof	0	0	10	1,057,412
T12   T14   T16	Beneficiary/Documentary proof/(Non-)action	0	0	7	166,729
T11   T40   T14	Request/Public procurement/Documentary proof	0	0	4	378,995
T12   T19	Beneficiary/Ethics & integrity	0	0	3	166,108
T15   T16   T14	Product/species and/or land/(Non-)action/Documentary proof	0	0	2	353,964
T11   T16	Request/(Non-)action	0	0	2	236,601
	ALL OTHER	0	0	10	2,391,323
	Null	0	0	3	2,541,736
<b>TOTAL EU27</b>		<b>127</b>	<b>19,201,435</b>	<b>667</b>	<b>107,624,814</b>

Table NR13 provides an overview of the most frequent categories of irregularities **reported as fraudulent** in rural development expenditure in 2020 and the corresponding financial amounts. It also gives the total for these categories over the period 2016-2020.

The highest number of detections and irregular financial amounts were related to pure '(non) action'. This included '**action not completed**', '**action not implemented**', or '**failure to respect deadlines**' among the most reported types of violation.

Violations concerning '**documentary proof**' alone (pure) or the '**beneficiary**' were also prevalent. They were also often combined with the category '(non) action' and with each other.

Over the period 2016-2020, the number of infringements related to '**documentary proof**' followed that of infringements concerning '(non) action'. '**Documents missing and/or not provided**' was the most reported type of violation. However, from 2016-2020, '**false and/or falsified documents**' were reported in a number of cases (about 50), which would not be expected for non-fraudulent irregularities. The same applies to the category '**request**', with a number of cases (about 20) reported in the '**false or falsified request of aid**' type.

The category pure '**beneficiary**' was the third most frequent from 2016-2020 and the fourth in 2020. '**Operator/beneficiary not having the required quality**' was the most reported type of violation.

**In 2020**, there was a sharp increase in the detection of violations concerning '**product, species and/or land**', mostly due to '**over declaration and/or declaration of fictitious product, species and/or land**'.

There were just a **few reported cases of conflict of interest**. There was one pure case of conflict of interest and two additional cases of conflict of interest in combination with public procurement infringements. In addition, there were eight other cases of conflict of interest in



the public procurement procedure. In 2020, one Member State reported a multi-million irregularity in rural development expenditure related to conflict of interest, corruption, use of false documents and accounts. Reporting as non-fraudulent would not be expected, but the Member State also communicated that penal proceedings were ongoing. Apart from these cases, infringements related to 'ethics and integrity' were reported as 'other irregularities concerning ethics and integrity'.

Table NR13: Categories of irregularities non reported as fraudulent in relation to rural development

Code	Category of irregularity	Irregularities not reported as fraudulent in 2020		Irregularities not reported as fraudulent 2016-20	
		N	EUR	N	EUR
T16	(Non-)action	1,066	49,063,855	4,419	199,054,039
T14	Documentary proof	253	12,064,987	1,180	60,730,125
T15	Product, species and/or land	148	5,143,939	540	17,158,288
T12	Beneficiary	147	4,032,847	960	54,577,469
T11	Request	121	4,671,404	545	35,033,348
T19	Ethics & integrity	90	4,013,142	212	8,432,118
T14   T16	Documentary proof/(Non-)action	70	1,761,197	187	7,254,646
T12   T16	Beneficiary/(Non-)action	46	1,530,660	350	13,271,603
T12   T14   T16	Beneficiary/Documentary proof/(Non-)action	46	1,146,313	104	3,736,896
T90	Other	23	1,230,881	273	38,121,244
T40	Public procurement	16	406,815	123	7,058,895
T18   T16	Bankruptcy/(Non-)action	11	2,514,861	33	5,182,419
T12   T14	Beneficiary/documentary proof	7	179,298	61	2,223,861
T13	Accounts & records	6	275,816	109	5,318,548
T18	Bankruptcy	6	243,298	71	9,525,547
T17	Movement	5	96,795	20	680,518
T13   T11	Accounts & records/Request	3	77,347	4	101,651
T12   T15	Beneficiary/Product, species and/or land	3	75,325	9	243,005
T11   T15	Request/Product, species and/or land	3	73,366	3	73,366
T14   T13	Documentary proof/Accounts & records	3	56,283	9	166,955
T15   T14	Product, species and/or land/Documentary proof	3	49,023	5	127,342
T13   T14   T16	Accounts & records/Documentary proof/(Non-)action	3	43,925	11	289,974
T11   T16	Request/(Non-)action	2	21,664	18	780,791
T15   T14   T13   T19   T16	Product, species and/or land/Documentary proof/Accounts & records/Ethics & integrity/(Non-)action	1	6,684,459	1	6,684,459
T11   T14	Request/Documentary proof	1	504,209	10	880,572
T16   T13	(Non-)action/Accounts & records	1	116,008	34	1,935,662
	ALL OTHERS	0	0	56	11,704,124
	Null	2	829,224	33	1,996,355
<b>TOTAL EU27</b>		<b>2,086</b>	<b>96,906,941</b>	<b>9,380</b>	<b>492,343,820</b>

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

Table NR14 shows the FDR and IDR per type of policy measure.<sup>62</sup>

Table NR14 FDR and IDR by type of CAP expenditure - EU27

Type of expenditure	Irregularities detected and reported 2016-2020 / Payments 2016-2020		
	FDR	IDR	Total
Direct payments	0.01%	0.07%	0.08%
Intervention in agricultural markets	0.68%	1.64%	2.32%
Support to agriculture	0.06%	0.16%	0.22%
Rural development	0.19%	0.86%	1.05%
<b>Total</b>	<b>0.09%</b>	<b>0.33%</b>	<b>0.41%</b>

<sup>62</sup> Some of the irregularities used for these calculations do not refer exclusively to a specific policy measure, because the same case may cover several budget posts referring to different measures. The 'SA/RD' cases are only included in the total CAP FDR/IDR. So the SA and RD FDR/IDR are slightly underestimated. By contrast, several cases considered under 'direct payments' (DA) had an impact both on DA and RD. There is only one case that impacted both on MM and RD. There are only two cases that impacted both on MM and DA. These 'mixed' cases are included with their full financial amount in DA or MM. So the DA and MM FDR/IDR are slightly overestimated. See 'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2020)160 final (Annex 14) for a methodology to assess the impact on FDR and IDR of these 'mixed' cases. This methodology applied to the period 2016-2020 suggests that FDR and IDR are not significantly sensitive to these 'mixed' cases issues.

**Detection rates for support to agriculture were much lower than for rural development.** However, one part of support to agriculture, **interventions in agricultural markets (market measures), accounted for the highest FDR and IDR.** It could be argued that this comparison is biased by a few cases related to market measures (two fraudulent and three non-fraudulent) involving exceptionally high financial amounts (more than EUR 10 million each). However, even excluding these irregularities from the calculation, the FDR and IDR for market measures were the highest, at 0.32% and 1.23%, respectively.

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

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

As shown in Table NR14, the FDR and IDR of market measures are high. Table NR15 shows the number and financial amounts of irregularities reported as fraudulent in relation to market measures for the period 2016-2020, while Table NR16 shows the same data on irregularities that were not reported as fraudulent.

**Fraudulent and non-fraudulent irregularities involving the highest financial amounts are often related to market measures.** From 2016-2020, the Member States reported two fraudulent irregularities related to aid to producer groups for preliminary recognition in the **‘fruits and vegetables’ sector**, accounting for over EUR 20 million each. This type of aid was also subject to two non-fraudulent irregularities, accounting together for over EUR 36 million. Another non-fraudulent irregularity involving about EUR 19 million affected a **food programme for deprived persons**.

Table NR15: Number of irregularities reported as fraudulent in relation to market measures

Market measure	Irregularities reported as fraudulent 2016-20	
	N	EUR
Products of the wine-growing sector	59	7,974,439
Fruit and vegetables	34	58,919,581
Promotion	13	19,300,705
Milk and milk products	8	351,443
Sugar restructuring fund	3	2,394,354
School schemes	2	165,535
Other plant products/measures	1	1,526,952
Pigmeat, eggs and poultry, bee-keeping and other animal products	1	135,153
Rice	1	857
<b>TOTAL EU27</b>	<b>122</b>	<b>90,769,017</b>

The highest number of irregularities reported as fraudulent was related to **national support programmes for the wine sector**. A detailed analysis covering 2015-2019, included in the 2019 PIF, shows that in this domain irregularities affect in particular investment measures and promotion, especially in non-EU markets. This analysis also identified the restructuring and conversion of vineyards. For further details, see ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final, Section 3.3.3.

Although it ranked first in terms of number of detections, ‘*products of the wine-growing sector*’ were clearly below those for other products, in terms of the financial amounts involved. This is the case for ‘*fruits and vegetables*’ and ‘*promotion*’ (see Table NR15). The analysis included in the 2019 PIF shows that for ‘*fruits and vegetables*’, irregularities had an impact in particular on ‘*aid for producer groups for preliminary recognition*’, especially ‘*investment*’ measures. Concerning the market measure ‘*promotion*’, according to the analysis included in the 2019 PIF, irregularities affect both the EU and the non-EU markets, but the financial amounts involved in irregularities related to promotion in non-EU countries are higher. For further details, see SWD(2020)160 final, Section 3.3.3.

Table NR16: Number of irregularities not reported as fraudulent in relation to market measures

Market measure	Irregularities reported as fraudulent 2016-20	
	N	EUR
Products of the wine-growing sector	1,001	56,222,524
Fruit and vegetables	406	118,375,956
Other plant products/measures	85	4,213,335
Beef and veal	49	744,531
Promotion	30	1,710,302
Olive oil	17	397,022
Pigmeat, eggs and poultry, bee-keeping and other animal products	16	365,308
Sugar restructuring fund	13	2,625,337
Milk and milk products	10	331,138
Food programmes	8	33,310,984
School schemes	7	460,493
<b>TOTAL EU27</b>	<b>1,642</b>	<b>218,756,931</b>

For irregularities not reported as fraudulent, the category '*products of the wine-growing sector*' was the most frequently reported, but '*fruit and vegetables*' was the one with the highest financial amounts. The category '*Food programmes*' was impacted by few irregularities, but high financial amounts. As mentioned, one single non-fraudulent irregularity accounted for EUR 19 million.

### 3.3.4. Reasons for carrying out checks

To boost the capability to detect irregularities, **the Commission recommended to the Member States to improve risk analysis and the use of spontaneous reporting.** Detection capability is a key feature of the anti-fraud cycle, which contributes to the effectiveness and efficiency of the system for the protection of the EU budget. In the 2017 PIF Report, an analysis was made of the reasons for carrying out checks and led to the recommendation to further exploiting the potential of risk analysis. The report also recommended to facilitating and assessing the spontaneous reporting of potential irregularities and strengthening the protection of whistle blowers that are also a crucial source for investigative journalism.<sup>63</sup>

**So far, there has been little improvement on the ground** (see Tables NR17-NR22). The 2017 PIF Report was adopted at the beginning of September 2018 and it may take time to evolve effectively from reactive to proactive detections based on risk analyses. It should also be considered that non-fraudulent irregularities that are detected and corrected at the national level before including the expenditure in a statement submitted to the Commission for reimbursement do not have to be reported in the Irregularity Management System (which is the source for this Report). Therefore, if risk analyses have a higher impact in terms of 'early' detection of these irregularities, it would not be captured by Tables NR17-NR22. By contrast, this exception does not apply to fraudulent irregularities, which should always be reported, even when detected before expenditure is submitted to the Commission.

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

With reference to rural development, there was no increase in the use of risk analysis or in the number of irregularities detected following tips (e.g. from whistle blowers) or information published by media.

With a focus on checks that led to discovering irregularities reported as fraudulent in rural development, Table NR17 provides information on the number of checks that were carried

<sup>63</sup> Section 9.2 of '29th Annual Report on the Protection of the EU's financial interests – Fight against fraud – 2017', COM(2018)553 final and 'Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2018)386 final.



out due to reasons that can be linked to the recommendations mentioned in Section 3.3.4. For the period 2016-2020, it compares the situation before 2018 with the situation in 2018-2020. Over the past three years, Member States have reported the detection of only few irregularities on the basis of risk analysis or similar ('*comparison of data*')<sup>64</sup> or information published by the media. The share of irregularities detected following tips fell from 8% to 3%.

Table NR17 - EU27

Reason for performing control	Irregularities reported as fraudulent - Rural development					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	15	4.3	1,891,514	2	0.6	39,399
Comparison of data	3	0.9	537,631	2	0.6	355,556
Probability checks	0	0.0	0	0	0.0	0
Statistical analysis	0	0.0	0	0	0.0	0
Tip from informant, whistle-blower etc.	27	7.8	2,282,175	10	3.1	1,020,970
Information published in the media	3	0.9	168,984	0	0.0	0
<b>Total (1)</b>	<b>348</b>		<b>56,567,672</b>	<b>319</b>		<b>51,057,145</b>

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

Table NR18 provides the same information for irregularities not reported as fraudulent in rural development. There was a slight increase in the use of risk analysis and possibly similar methods. There were no significant changes in the irregularities reported as a result of tips and media. With specific reference to risk analysis (in the strict sense), no additional Member States started reporting this type of detections. From 2018-2020, detections based on risk analysis (in the strict sense) were made by only seven Member States (over 60% of such detections in Hungary).

Table NR18 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Rural development					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	63	1.6	4,130,051	109	2.0	4,273,089
Comparison of data	28	0.7	1,779,514	52	1.0	1,310,101
Probability checks	12	0.3	803,880	30	0.6	871,841
Statistical analysis	13	0.3	200,316	0	0.0	0
Tip from informant, whistle-blower etc.	51	1.3	5,302,105	75	1.4	5,515,928
Information published in the media	4	0.1	129,628	15	0.3	7,252,843
<b>Total (1)</b>	<b>3,960</b>		<b>234,297,011</b>	<b>5,420</b>		<b>258,046,804</b>

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

### 3.3.4.2. Irregularities in relation to market measures

With reference to market measures, Table NR19 indicates no increase in the use of risk analysis and in the number of fraudulent irregularities detected following information published by media. The percentage of irregularities detected following tips increased from 4% to 6%, but this was based on few cases.

The categories '*scrutiny 4045*' and '*scrutiny 485*' refer to Regulation No 4045/1989 and Regulation No 485/2008, respectively. These deal with the scrutiny of commercial documents of those entities receiving payments from the Guarantee section of the EAGGF (Reg. No 4045/1989) or from the EAGF (Reg. No 485/2008)<sup>65</sup>. Although Reg. No 485/2008 explicitly brought the concept of risk analysis, Reg. No 4045/1989 already required the Member States to consider risk factors and concentrate on sectors or undertakings where the risk of fraud is high. In 2018-2020, the share of fraudulent irregularities the Member States reported on '*scrutiny 4045/scrutiny 485*' fell.

<sup>64</sup> Table NR17 includes reasons that may indicate the use of some forms of risk analysis (comparison of data, probability checks and statistical analysis).

<sup>65</sup> Reg. 485/2008 repealed Reg. 4045/1989.

Table NR19 - EU27

Reason for performing control	Irregularities reported as fraudulent - Market measures					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	12	16.4	1,120,413	0	0.0	0
Comparison of data	0	0.0	0	0	0.0	0
Probability checks	0	0.0	0	0	0.0	0
Statistical analysis	0	0.0	0	0	0.0	0
Scrutiny 4045	3	4.1	297,878	2	4.1	1,270,822
Scrutiny 485	32	43.8	3,299,931	10	20.4	506137
Tip from informant, whistle-blower etc.	3	4.1	30,824,206	3	6.1	1,080,667
Information published in the media	0	0.0	0	0	0.0	0
<b>Total (1)</b>	<b>73</b>		<b>45,148,303</b>	<b>49</b>		<b>45,620,714</b>

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

Table NR20 provides the same information for irregularities not reported as fraudulent in market measures. Over the past three years, there was a slight increase in the use of risk analysis and possibly similar methods, in line with the findings for rural development (see Section 3.3.4.1). The share of irregularities detected on the basis of 'scrutiny 4045/scrutiny 485' decreased by over eight percentage points. The share of irregularities detected following tips slightly increased, but on the basis of few cases.

Table NR20 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Market measures					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	18	2.7	1,264,833	29	3.0	1,456,953
Comparison of data	0	0.0	0	4	0.4	60,857
Probability checks	7	1.0	193,905	5	0.5	178,042
Statistical analysis	0	0.0	0	0	0.0	0
Scrutiny 4045	84	12.4	6,896,606	128	13.3	9,678,362
Scrutiny 485	105	15.5	7,004,845	60	6.2	6,134,321
Tip from informant, whistle-blower etc.	2	0.3	933,196	8	0.8	23,310,129
Information published in the media	0	0.0	0	1	0.1	19,483
<b>Total (1)</b>	<b>676</b>		<b>75,459,094</b>	<b>966</b>		<b>143,297,837</b>

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

### 3.3.4.3. Irregularities in relation to direct payments

With a focus on checks that led to discovering irregularities reported as fraudulent in direct aid, Table NR21 shows that, apart from a falling share of the irregularities found as a result of tips, the Member States detected just two irregularities on the basis of risk analysis or similar.

Table NR21 - EU27

Reason for performing control	Irregularities reported as fraudulent - Direct payments					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	0	0.0	0	2	0.6	335,981
Comparison of data	0	0.0	0	0	0.0	0
Probability checks	0	0.0	0	0	0.0	0
Statistical analysis	0	0.0	0	0	0.0	0
Scrutiny 4045	0	0.0	0	0	0.0	0
Scrutiny 485	0	0.0	0	0	0.0	0
Tip from informant, whistle-blower etc.	8	4.2	152,306	6	1.7	460,274
Information published in the media	0	0.0	0	0	0.0	0
<b>Total (1)</b>	<b>190</b>		<b>6,751,003</b>	<b>348</b>		<b>19,230,013</b>

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

Table NR22 highlights irregularities not reported as fraudulent in direct aid. Over the past three years, there was a slight increase in the use of risk analysis and possibly similar methods; the share of irregularities rose from 3.5% to 4.5%. In particular, only 0.8% of cases were started following a risk analysis (in the strict sense), but there was an increase in 'comparison of data' and 'probability checks'. It is not clear what kind of activity was reported under these reasons. There was no increase in the use of information published in the media, while the use of tips increased as a reason for the irregularities detected (from 2% to over 3%).

Table NR22 - EU27

Reason for performing control	Irregularities not reported as fraudulent - Direct payments					
	2016-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	23	1.8	953,631	15	0.8	448,779
Comparison of data	19	1.5	490,132	55	3.1	1,264,274
Probability checks	2	0.2	419,327	13	0.7	283,601
Statistical analysis	0	0.0	0	0	0.0	0
Scrutiny 4045	3	0.2	1,700,083	0	0.0	0
Scrutiny 485	0	0.0	0	0	0.0	0
Tip from informant, whistle-blower etc.	27	2.1	468,986	59	3.3	1,425,314
Information published in the media	0	0.0	0	0	0.0	0
Total (1)	1,299		62,005,366	1,772		70,263,975

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

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

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

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

- (1) Duration of irregularities (fraudulent and non-fraudulent). No analysis by Member State is presented in this section.
- (2) The number of irregularities reported as fraudulent by each Member State (in 2020 and over the past five years).
- (3) the FDR (the ratio between the amounts involved in cases reported as fraudulent and the payments made over the same period) and the IDR (the ratio between the amounts involved in cases not reported as fraudulent and the payments made over same period) over the past five years<sup>66</sup>;
- (4) the follow-up to suspected fraud.

#### 3.4.1. Duration of irregularities

The Member States are requested to indicate the date or period when the irregularity was committed. Of the 15 544 irregularities (fraudulent and non-fraudulent) reported by Member States (and the UK) in 2016-2020 in relation to the CAP, 8 836 (57% of the total) involved irregularities that were protracted over a span of time. For the 1 338 irregularities reported as fraudulent, this rises to about 70%. The remaining part of the dataset refers to irregularities which consisted of a single act identifiable on a precise date (about 42% of the whole dataset and 29% of that including only the fraudulent irregularities) or for which no information was provided<sup>67</sup> (7% of the whole dataset, but only 1% of the irregularities reported as fraudulent). The average duration of the irregularities that were protracted over time was 27 months (two years and three months). For the irregularities reported as fraudulent, the average was three month less: 24 months.

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

<sup>67</sup> This includes cases where the start date and the end date were not filled in.

3.4.2. Detection of irregularities reported as fraudulent by Member State

3.4.2.1. Reported over the period 2016-2020

Table NR23 gives an overview of the irregularities reported as fraudulent by the Member States over the period 2016-2020. It also shows the related amounts, overall payments under the agricultural policy<sup>68</sup> and the FDR.

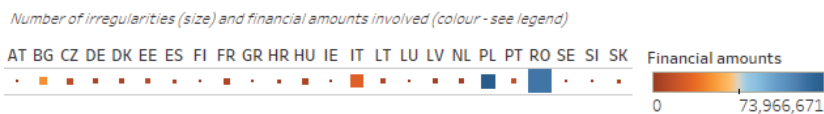
Belgium, Cyprus and Malta have notified no irregularities as fraudulent. 15 other Member States reported fewer than 30 potentially fraudulent irregularities; six Member States reported between 30 and 60; and three Member States reported over 60.

The FDRs exceeded 0.40% in Bulgaria, Estonia and Romania. Romania was the Member State that accounted for the highest number of irregularities, and Poland reported the highest financial amounts involved.

Table NR23: Irregularities reported as fraudulent by Member State in 2016-2020

	Irregularities reported as fraudulent 2016-20		Payments in 2016-2020		FDR 2016-2020
	N	EUR	N		%
AT	4	338,938	6,087,819,725		0.01%
BE	0	0	3,195,599,228		0.00%
BG	54	24,077,236	5,223,290,367		0.46%
CY	0	0	360,747,464		0.00%
CZ	36	6,598,823	5,887,140,195		0.11%
DE	31	2,967,277	30,223,720,058		0.01%
DK	23	3,301,249	4,704,900,258		0.07%
EE	28	5,572,692	1,192,309,260		0.47%
ES	19	2,961,130	32,943,254,589		0.01%
FI	1	41,297	4,321,996,978		0.00%
FR	47	4,012,048	46,459,408,085		0.01%
GR	5	75,083	13,352,965,335		0.00%
HR	12	1,611,555	2,413,485,620		0.07%
HU	37	3,686,279	8,434,812,845		0.04%
IE	2	15,242	7,630,911,581		0.00%
IT	162	14,931,475	27,379,205,124		0.05%
LT	23	3,759,254	3,347,919,082		0.11%
LU	1	15,857	227,588,227		0.01%
LV	21	1,496,865	2,000,143,634		0.07%
MT	0	0	79,046,742		0.00%
NL	23	1,222,033	4,189,095,631		0.03%
PL	203	73,966,671	21,533,081,525		0.34%
PT	32	7,595,124	6,528,935,978		0.12%
RO	549	65,279,495	14,923,437,369		0.44%
SE	1	0	4,538,492,080		0.00%
SI	4	226,393	1,230,085,667		0.02%
SK	20	2,777,845	3,120,938,003		0.09%
<b>TOTAL EU27</b>	<b>1,338</b>	<b>226,529,861</b>	<b>261,530,330,650</b>		<b>0.09%</b>
UK <sup>(1)</sup>	24	679,874			

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



<sup>68</sup> Payments are taken from the Annual Activity Reports (AAR) of the Commission’s Directorate-General for Agriculture and Rural Development from 2016 to 2020. In particular, reference is made to the tables on pages 61-63 of the AAR 2016, pages 74-76 of the AAR 2017, pages 90-92 of the AAR 2018, pages 74-76 of the AAR 2019, pages 52-54 of the AAR 2020.

3.4.2.2. Reported in 2020

Table NR24 gives an overview of the irregularities reported as fraudulent in 2020, broken down by Member State. It also shows the related amounts, overall payments for the common agricultural policy and the FDR.

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

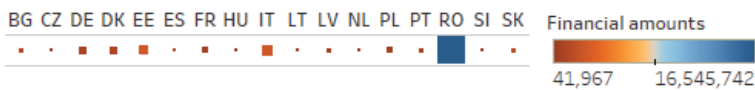
The highest FDRs were recorded in Estonia (1%) and Romania (about 0.5%). Romania reported the highest number of irregularities and related financial amounts.

Table NR24: Irregularities reported as fraudulent by Member State in 2020

	Irregularities reported as fraudulent in 2020		Payments in 2020	FDR 2020
	N	EUR	N	%
BG	4	1,091,892	1,103,268,339	0.10%
CZ	2	209,981	1,276,493,346	0.02%
DE	12	629,097	6,241,854,768	0.01%
DK	12	853,152	922,123,025	0.09%
EE	19	2,456,281	245,352,903	1.00%
ES	2	1,218,356	6,950,646,440	0.02%
FR	8	262,704	9,394,601,342	0.00%
HU	2	41,967	1,873,228,143	0.00%
IT	23	2,406,166	5,806,544,240	0.04%
LT	1	76,103	673,741,294	0.01%
LV	5	294,096	430,328,386	0.07%
NL	1	45,842	818,096,461	0.01%
PL	6	363,041	4,633,876,587	0.01%
PT	4	476,067	1,367,927,300	0.03%
RO	148	16,545,742	3,143,095,142	0.53%
SI	1	103,152	266,617,276	0.04%
SK	5	1,311,492	653,971,967	0.20%
<b>TOTAL EU27</b>	<b>255</b>	<b>28,385,131</b>	<b>54,581,342,940</b>	<b>0.05%</b>
UK <sup>(1)</sup>	9	406,925		

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

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



3.4.3. Fraud and Irregularity Detection by sector and Member State

3.4.3.1. Rural development

Table NR25 and Map NR1 provide an overview of the irregularities reported as fraudulent by the Member States over the period 2016-2020 for rural development expenditure. It also shows the total payments made for rural development and the FDR. As mentioned, the irregularities refer exclusively to the rural development component.

## Common Agricultural Policy

*Table NR25: Rural development: number of irregularities reported as fraudulent 2016-2020, amounts involved and fraud detection rate by Member State*

Member State	Irregularities reported as fraudulent 2016-20		Payments 2016-2020	FDR 2016-2020
	N	EUR	N	%
AT	2	78,834	2,497,138,075	0.00%
BG	41	7,689,460	1,247,684,752	0.62%
CZ	31	2,620,687	1,564,418,577	0.17%
DE	20	1,813,208	5,358,493,645	0.03%
DK	19	3,179,945	468,637,567	0.68%
EE	28	5,572,692	541,668,904	1.03%
ES	6	485,040	4,671,858,064	0.01%
FI	1	41,297	1,655,412,219	0.00%
FR	8	929,921	8,046,336,808	0.01%
GR	4	64,643	2,916,796,503	0.00%
HR	9	1,453,557	1,146,228,482	0.13%
HU	27	2,671,481	1,867,837,642	0.14%
IE	1	2,750	1,484,961,327	0.00%
IT	27	3,312,383	5,570,088,491	0.06%
LT	22	3,716,955	1,017,754,503	0.37%
LV	21	1,496,865	820,746,687	0.18%
NL	5	219,906	390,658,685	0.06%
PL	117	10,497,059	4,179,458,699	0.25%
PT	22	7,000,791	2,670,944,169	0.26%
RO	244	53,067,527	5,928,905,767	0.90%
SI	2	131,987	514,282,093	0.03%
SK	10	1,577,826	876,805,679	0.18%
<b>TOTAL EU27</b>	<b>667</b>	<b>107,624,814</b>	<b>56,983,235,265</b>	<b>0.19%</b>
UK <sup>(1)</sup>	16	370,579		

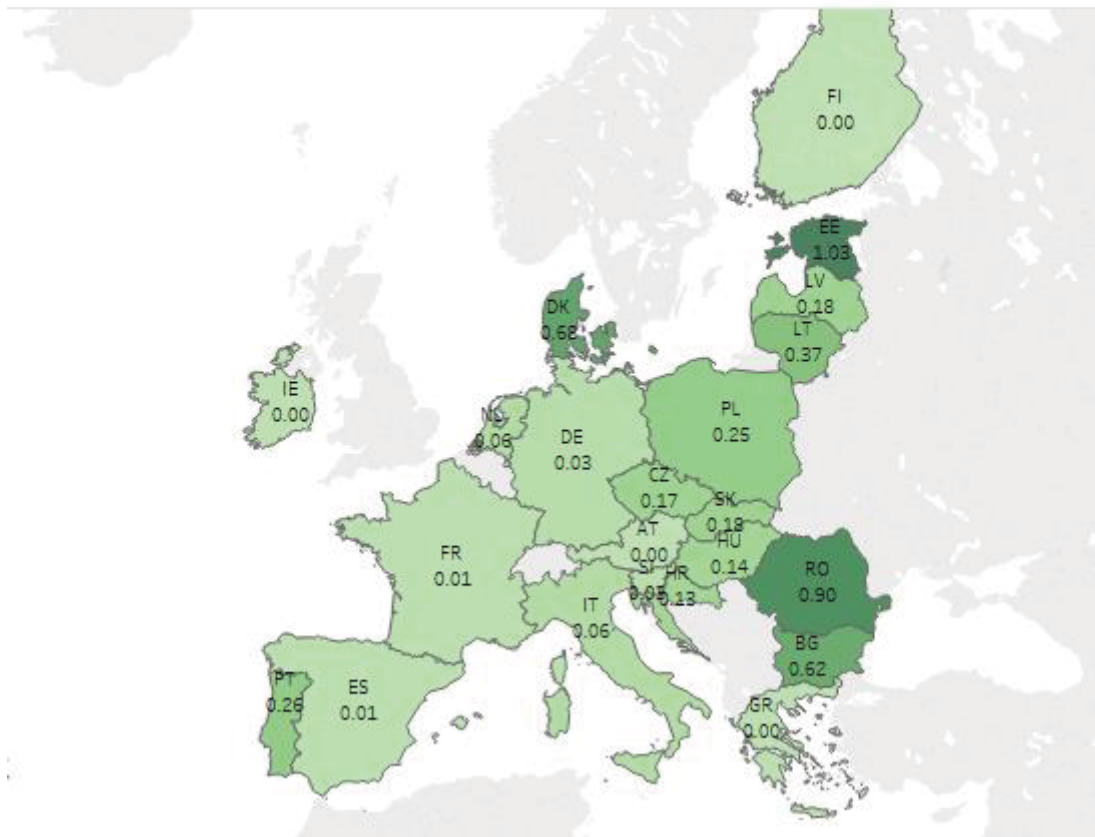
(1) As of 1 February 2020, the UK is no longer part of the EU

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



Estonia, Romania, Denmark, and Bulgaria recorded the highest FDR. The FDR was higher than the EU average also in Lithuania, Portugal and Poland. 22 Member States reported fraudulent cases concerning rural development spending over the period 2016-2020. Romania and Poland reported the highest number of cases, and Romania reported the highest financial amounts involved.

Map NR1: Fraud Detection Rate by Member State (EU27)  
Rural development - 2016-2020 (%)



*In this map, '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no FDR is calculated and the Member State is grey. See Table NR 25. UK is not included.*

Table NR26 and Map NR2 provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2016-2020 concerning rural development expenditure. Table NR26 also shows the total payments for rural development and the IDR.



## Common Agricultural Policy

*Table NR26: Rural development: number of irregularities not reported as fraudulent 2016-2020, amounts involved and irregularity detection rate by Member State*

Member State	Irregularities not reported as fraudulent in 2016-20		Payments in 2016-20	IDR 2016-20
	N	EUR	N	%
AT	32	1,256,128	2,497,138,075	0.05%
BE	55	1,393,796	313,186,762	0.45%
BG	801	51,947,973	1,247,684,752	4.16%
CZ	188	6,971,049	1,564,418,577	0.45%
DE	199	11,383,048	5,358,493,645	0.21%
DK	31	1,314,179	468,637,567	0.28%
EE	169	8,053,817	541,668,904	1.49%
ES	779	27,903,746	4,671,858,064	0.60%
FI	50	1,131,856	1,655,412,219	0.07%
FR	544	10,341,247	8,046,336,808	0.13%
GR	572	8,792,293	2,916,796,503	0.30%
HR	113	4,636,243	1,146,228,482	0.40%
HU	487	18,059,529	1,867,837,642	0.97%
IE	51	1,650,261	1,484,961,327	0.11%
IT	715	81,070,472	5,570,088,491	1.46%
LT	396	17,342,425	1,017,754,503	1.70%
LU	1	39,266	58,384,864	0.07%
LV	64	1,997,203	820,746,687	0.24%
MT	13	771,587	51,510,176	1.50%
NL	62	1,608,634	390,658,685	0.41%
PL	899	40,088,380	4,179,458,699	0.96%
PT	1,507	80,395,843	2,670,944,169	3.01%
RO	1,455	102,944,079	5,928,905,767	1.74%
SE	16	813,622	1,043,760,917	0.08%
SI	56	1,696,435	514,282,093	0.33%
SK	125	8,740,703	876,805,679	1.00%
<b>TOTAL EU27</b>	<b>9,380</b>	<b>492,343,814</b>	<b>56,983,235,265</b>	<b>0.86%</b>
UK <sup>(1)</sup>	312	7,369,876		

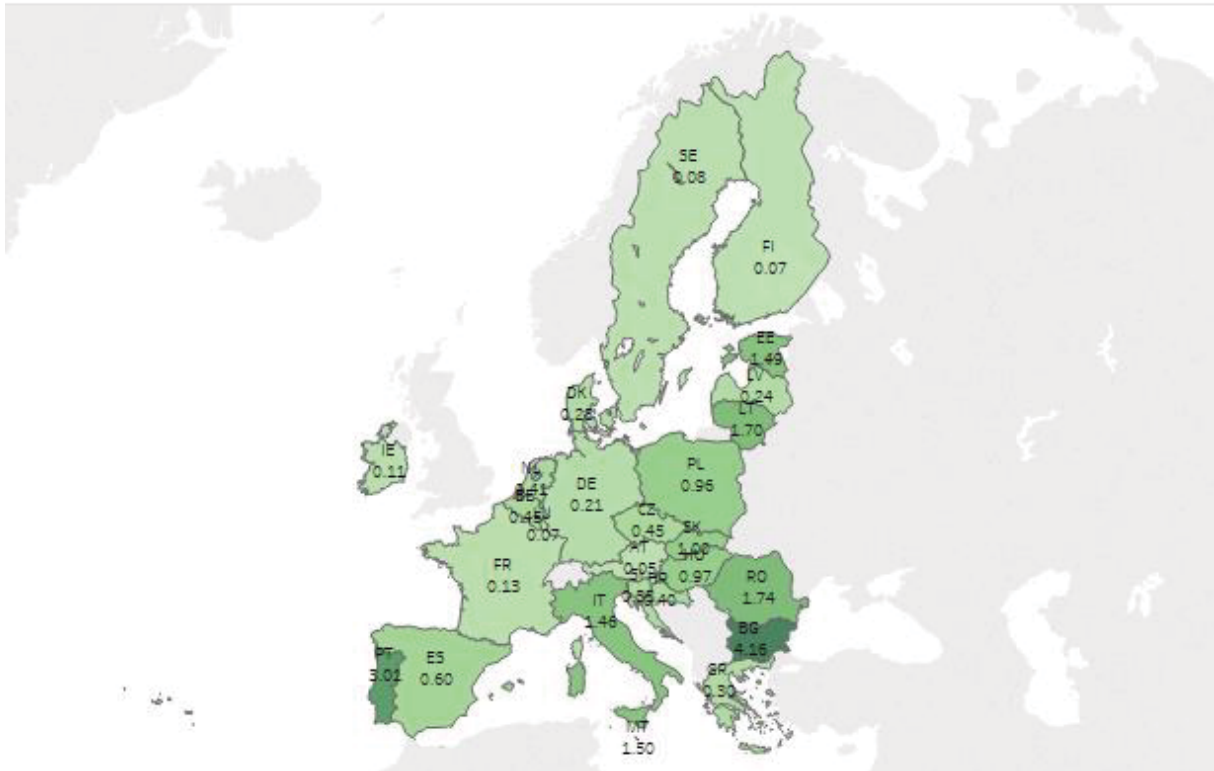
(1) As of 1 February 2020, the UK is no longer part of the EU

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



Bulgaria (4.2%) and Portugal (3%) recorded the highest IDR. The IDR was higher than the EU average also in Romania, Lithuania, Malta, Estonia, Italy, Slovakia, Hungary and Poland. Romania and Portugal reported the highest number of cases, and Romania, Italy and Portugal reported the highest financial amounts involved.

## Map NR2: Irregularity Detection Rate by Member State (EU27) Rural development - 2016-2020 (%)



If no relevant irregularities were reported, no FDR is calculated and the Member State is grey. See Table NR 26. UK is not included.

Tables NR25 and NR26 indicate that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (Romania and Poland) reported 54% of all fraudulent irregularities related to rural development (59% in terms of the financial amounts involved), while they received about 18% of payments. For non-fraudulent irregularities, the top two Member States (Romania and Portugal) reported 32% of cases and 37% of the financial amounts involved, but received about 15% of payments.

The concentration of detections was analysed in detail in the 2018 PIF Report for the period 2014-2018.<sup>69</sup> The analysis suggests that the concentration of detections went beyond what could be expected from the concentration of payments related to rural development among Member States. This could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities were reported. This difference in concentration between detections and payments was less pronounced for non-fraudulent irregularities, which could be taken as an indication of more uniform approaches to management and administrative checks, although data on individual Member States highlighted significant discrepancies. The concentration of detections was instead more accentuated for fraudulent irregularities, suggesting that different approaches to criminal investigation and prosecution could be an additional and significant factor explaining the different levels of detection among Member States.

<sup>69</sup> Section 3.4.3.1 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final.

3.4.3.2. Market measures

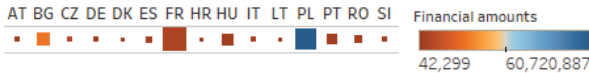
Table NR27 and Map NR3 provide an overview of the irregularities reported as fraudulent by the Member States over the period 2016-2020 for market measures expenditure. The table also gives the total payments for market measures and the FDR.<sup>70</sup>

Table NR27: Market measures: number of irregularities reported as fraudulent 2016-2020, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2016-20		Payments 2016-2020	FDR 2016-2020
	N	EUR	N	%
AT	2	260,104	137,630,358	0.19%
BG	13	16,387,775	145,173,065	11.29%
CZ	2	3,953,696	106,852,181	3.70%
DE	2	301,054	765,942,466	0.04%
DK	1	95,217	75,898,628	0.13%
ES	3	1,267,379	2,854,147,880	0.04%
FR	39	3,082,126	2,913,874,205	0.11%
HR	1	135,153	51,833,652	0.26%
HU	10	1,014,798	227,965,493	0.45%
IT	2	1,713,309	3,259,800,512	0.05%
LT	1	42,299	71,174,425	0.06%
PL	31	60,720,887	504,805,026	12.03%
PT	8	576,963	539,685,105	0.11%
RO	5	1,123,850	233,987,952	0.48%
SI	2	94,406	38,963,525	0.24%
<b>TOTAL EU27</b>	<b>122</b>	<b>90,769,016</b>	<b>13,332,954,553</b>	<b>0.68%</b>
UK <sup>(1)</sup>	0	0		

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

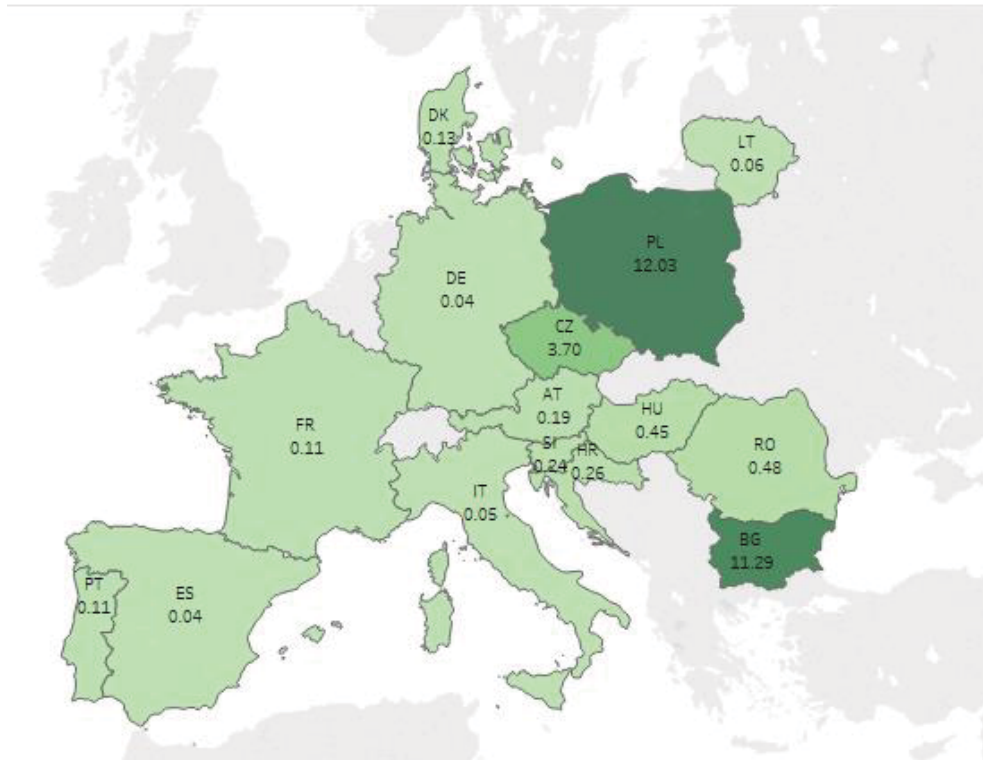
Number of irregularities (size) and financial amounts involved (colour - see legend)



FDR was the highest in Poland and Bulgaria, but significantly higher than the EU average also in Czechia. 15 Member States reported fraudulent cases in this area. France and Poland reported the highest number of cases and Poland and Bulgaria reported the highest financial amounts involved.

<sup>70</sup> Some of these irregularities do not refer exclusively to market measures, but the reporting authority may have also included budget lines/posts referring to other measures (i.e. direct aid, rural development or other payments related to budget years before 2006). The full financial amounts of these irregularities are included in these tables.

Map NR3: Fraud Detection Rate by Member State (EU27)  
Market measures - 2016-2020 (%)



*If no relevant irregularities were reported, no FDR is calculated and the Member State is grey.  
See Table NR 27. UK is not included in the map.*

Table NR28 and Map NR4 provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2016-2020 in relation to market measures. It also gives the total payments for expenditure under market measures and the IDR.

## Common Agricultural Policy

*Table NR28: Market measures: number of irregularities not reported as fraudulent 2016-2020, amounts involved and irregularity detection rate by Member State*

Member State	Irregularities not reported as fraudulent in 2016-20		Payments in 2016-20	IDR 2016-20
	N	EUR	N	%
AT	11	905,166	137,630,358	0.66%
BE	7	252,705	379,393,765	0.07%
BG	17	3,194,312	145,173,065	2.20%
CZ	4	280,918	106,852,181	0.26%
DE	12	223,735	765,942,466	0.03%
DK	2	145,365	75,898,628	0.19%
ES	427	25,490,550	2,854,147,880	0.89%
FI	2	36,798	51,040,402	0.07%
FR	333	21,256,123	2,913,874,205	0.73%
GR	22	693,430	330,916,390	0.21%
HR	5	155,826	51,833,652	0.30%
HU	108	9,227,528	227,965,493	4.05%
IT	296	15,459,764	3,259,800,512	0.47%
LT	5	337,371	71,174,425	0.47%
MT	3	372,454	2,109,533	17.66%
NL	46	2,078,547	272,185,480	0.76%
PL	115	90,144,075	504,805,026	17.86%
PT	130	4,584,880	539,685,105	0.85%
RO	89	41,673,046	233,987,952	17.81%
SE	1	2,006,590	80,020,911	2.51%
SI	4	118,976	38,963,525	0.31%
SK	3	118,772	54,083,353	0.22%
<b>TOTAL EU27</b>	<b>1,642</b>	<b>218,756,931</b>	<b>13,332,954,553</b>	<b>1.64%</b>
UK <sup>(1)</sup>	6	202,973		

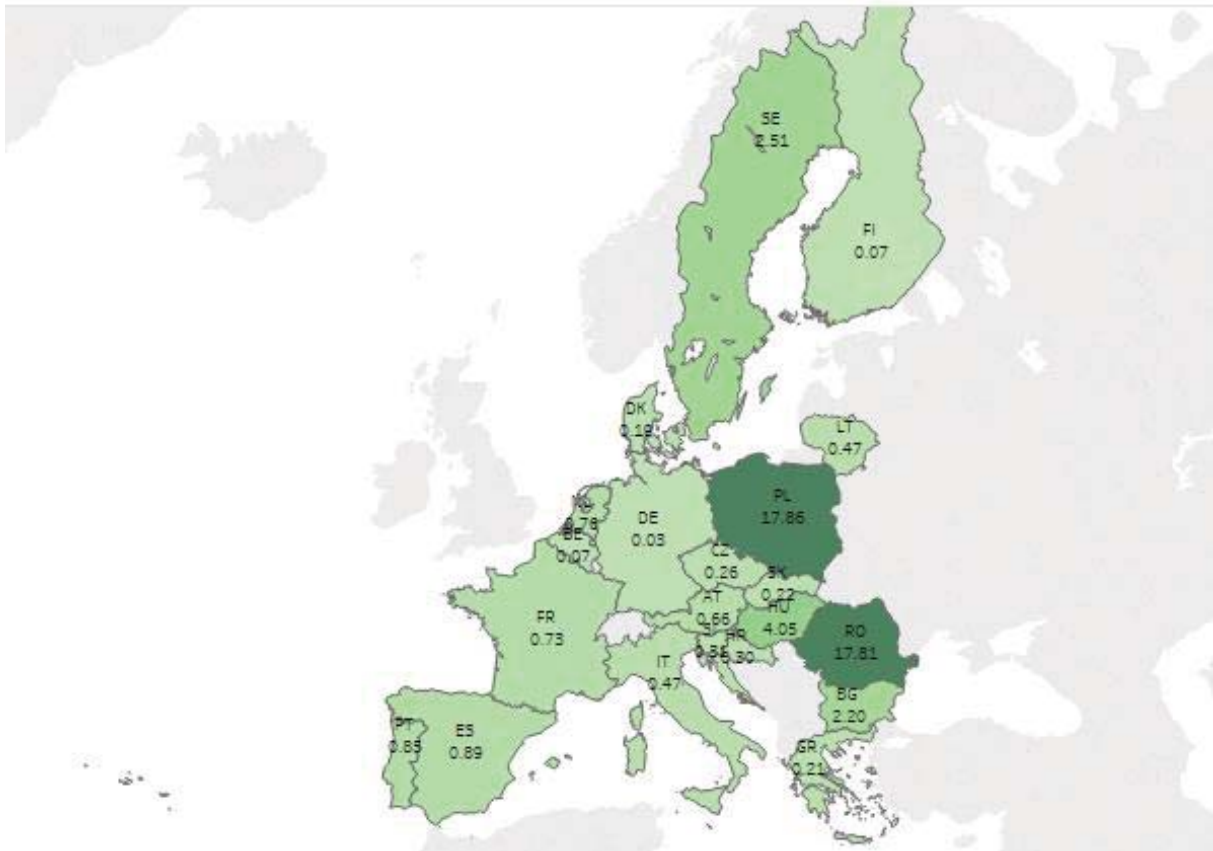
(1) As of 1 February 2020, the UK is no longer part of the EU

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



The IDR exceeded 17% in Poland, Romania and Malta. It was higher than the EU average also in Hungary, Sweden and Bulgaria. 22 Member States reported non-fraudulent cases concerning market measures. Spain, France and Italy reported the highest number of cases and Poland, Romania, Spain and France reported the highest financial amounts involved.

## Map NR4: Irregularity Detection Rate by Member State (EU27) Market measures - 2016-2020 (%)



If no relevant irregularities were reported, no FDR is calculated and the Member State is grey. See Table NR 28. UK is not included in the map.

Tables NR27 and NR28 indicate that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (France and Poland) reported about 57% of all fraudulent irregularities (70% of irregular financial amounts) related to market measures, while they received about 25% of payments. For non-fraudulent irregularities, the top two Member States in terms of number of detections (Spain and France) did not overlap with the highest ranking Member States in terms of the financial amounts involved (Poland and Romania). Poland and Romania reported about 60% of the irregular financial amounts and received about 5% of payments.

As mentioned in Section 3.4.3.1, the concentration of detections was analysed in detail in the 2018 PIF Report, covering the period 2014-2018.<sup>71</sup> The analysis suggests that the level of concentration of detections went beyond what could be expected given the concentration of payments related to market measures among Member States, especially for fraudulent irregularities. This suggests the need for more uniform practice in criminal investigation and prosecution to protect the EU budget.

<sup>71</sup> Section 3.4.3.2 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final.

3.4.3.3. Direct payments to farmers

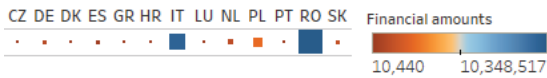
Table NR29 and Map NR5 provide an overview of the irregularities reported as fraudulent by the Member States over the period 2016-2020 in relation to direct payments to farmers. It also shows the total payments for direct payments and the FDR.<sup>72</sup>

Table NR29: Direct payments: number of irregularities reported as fraudulent 2016-2020, amounts involved and fraud detection rate by Member State

Member State	Irregularities reported as fraudulent 2015-19		Payments 2016-2020	FDR 2016-2020
	N	EUR	N	%
CZ	3	24,440	4,215,869,437	0.00%
DE	9	853,014	24,099,283,947	0.00%
DK	3	26,087	4,160,364,063	0.00%
ES	9	110,355	25,417,248,645	0.00%
GR	1	10,440	10,105,252,442	0.00%
HR	2	22,845	1,215,423,486	0.00%
IT	133	9,905,783	18,549,316,121	0.05%
LU	1	15,857	165,345,109	0.01%
NL	18	1,002,127	3,526,251,466	0.03%
PL	50	2,445,646	16,848,817,800	0.01%
PT	2	17,370	3,318,306,704	0.00%
RO	298	10,348,517	8,760,543,650	0.12%
SK	9	1,198,535	2,190,048,971	0.05%
<b>TOTAL EU27</b>	<b>538</b>	<b>25,981,016</b>	<b>191,214,140,832</b>	<b>0.01%</b>
UK <sup>(1)</sup>	8	309,295		

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

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

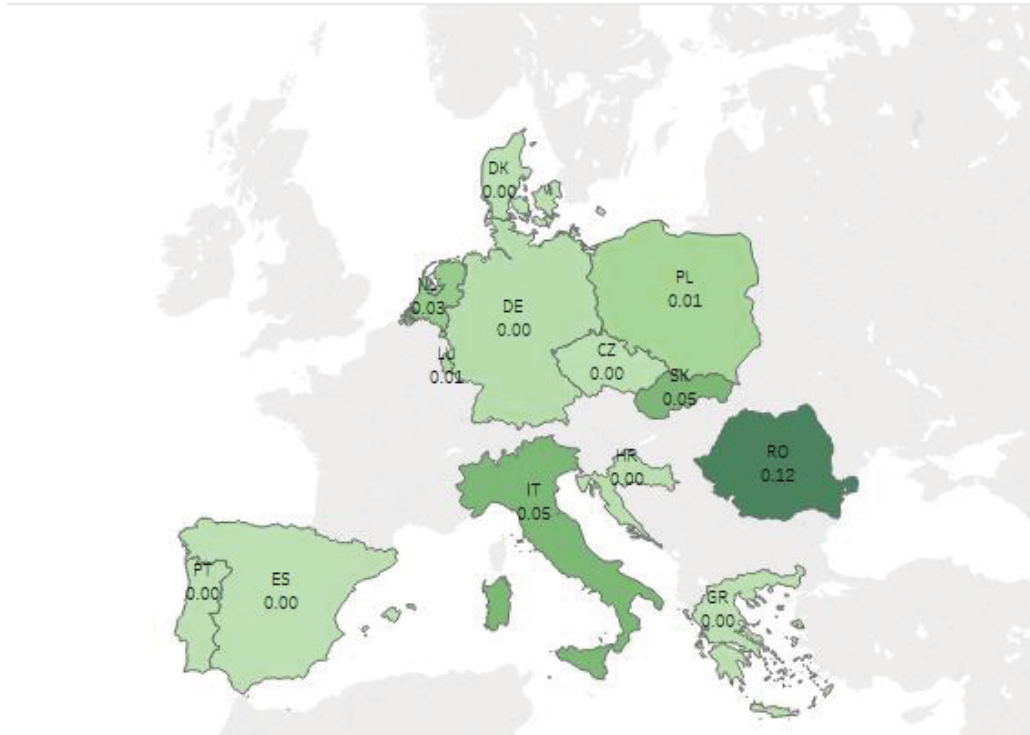


Romania recorded the highest FDR, at 0.12%, followed by Italy and Slovakia, at 0.05%. Thirteen Member States have reported fraudulent cases in this area. Romania and Italy reported the highest number of cases and financial amounts involved.

<sup>72</sup> Some of these irregularities do not refer exclusively to direct aid, but the reporting authority may have also included budget lines/posts referring to other measures (i.e. market measures, rural development or other payments related to budget years before 2006). The full financial amounts of these irregularities are included in these tables.



Map NR5: Fraud Detection Rate by Member State (EU27)  
Direct aid to farmers - 2016-2020 (%)



*In this map, '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no FDR is calculated and the Member State is grey. See Table NR 29. UK is not included in the map.*

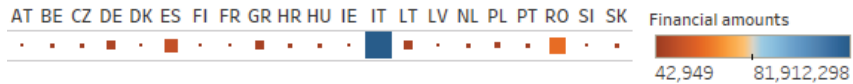
Table NR30 and Map NR6 provide an overview of the irregularities not reported as fraudulent by the Member States over the period 2016-2020 in relation to direct payments. It also shows the total payments for direct aid and the IDR.

Table NR30: Direct payments: number of irregularities not reported as fraudulent 2016-2020, amounts involved and irregularity detection rate by Member State

Member State	Irregularities not reported as fraudulent in 2016-20		Payments in 2016-20	IDR 2016-20
	N	EUR	N	%
AT	7	88,196	3,453,051,292	0.00%
BE	29	512,134	2,503,018,701	0.02%
CZ	29	440,584	4,215,869,437	0.01%
DE	150	4,193,242	24,099,283,947	0.02%
DK	22	516,431	4,160,364,063	0.01%
ES	344	9,307,716	25,417,248,645	0.04%
FI	10	313,232	2,615,544,357	0.01%
FR	7	191,796	35,499,197,072	0.00%
GR	148	2,630,777	10,105,252,442	0.03%
HR	50	1,191,169	1,215,423,486	0.10%
HU	39	1,432,455	6,339,009,710	0.02%
IE	17	341,232	6,015,599,267	0.01%
IT	1,391	81,912,298	18,549,316,121	0.44%
LT	140	2,851,886	2,258,990,154	0.13%
LV	4	69,038	1,139,656,748	0.01%
NL	36	688,715	3,526,251,466	0.02%
PL	57	2,053,844	16,848,817,800	0.01%
PT	35	960,232	3,318,306,704	0.03%
RO	518	19,663,530	8,760,543,650	0.22%
SI	3	42,949	676,840,049	0.01%
SK	35	2,867,885	2,190,048,971	0.13%
<b>TOTAL EU27</b>	<b>3,071</b>	<b>132,269,341</b>	<b>191,214,140,832</b>	<b>0.07%</b>
UK <sup>(1)</sup>	130	2,930,455		

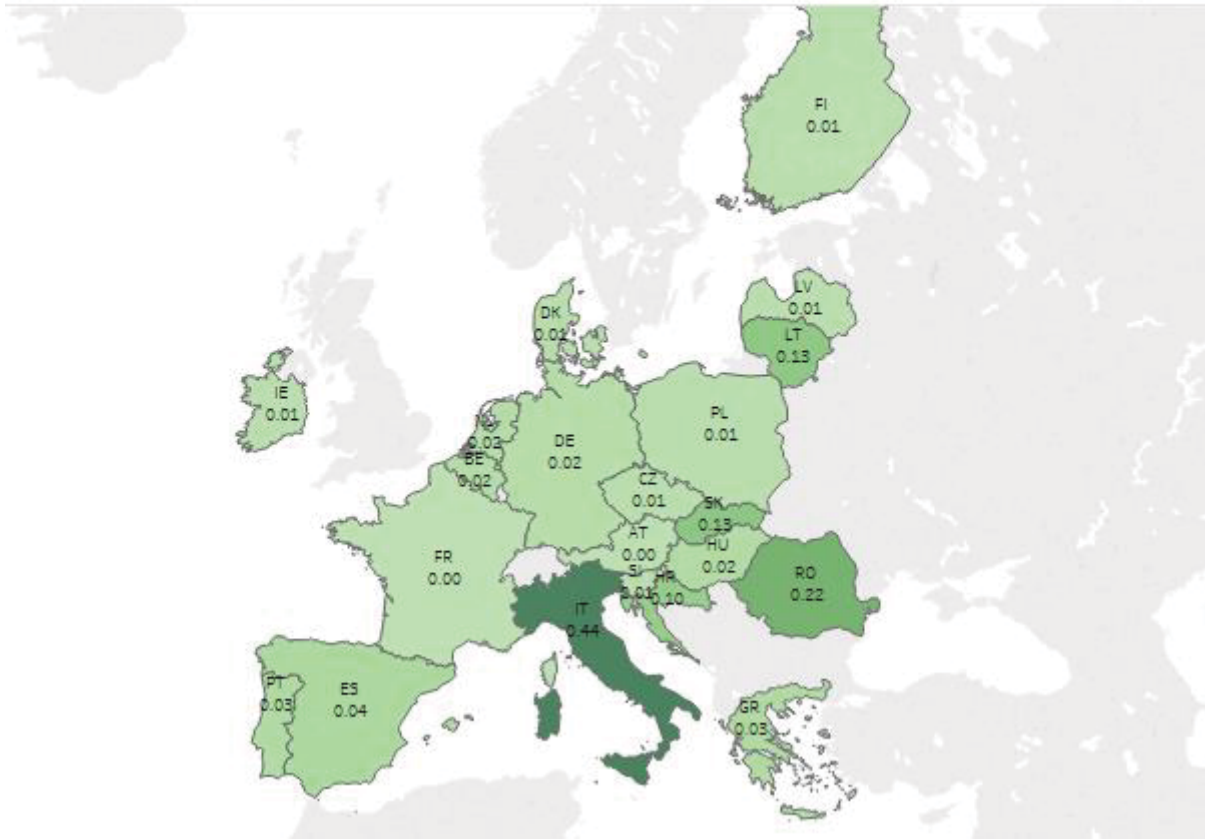
(1) As of 1 February 2020, the UK is no longer part of the EU

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



The IDR was the highest in Italy (0.44%), double the rate for Romania, which ranked second. 21 Member States have reported non-fraudulent cases in direct aid.

## Map NR6: Irregularity Detection Rate by Member State (EU27) Direct aid to farmers - 2016-2020 (%)



In this map, '0.00' indicates low financial amounts involved in the irregularities, in proportion to the payments received. If no relevant irregularities were reported, no FDR is calculated and the Member State is grey. See Table NR 30. UK is not included in the map.

Tables NR29 and NR30 suggest that the reporting of irregularities was concentrated in a few Member States. The top two Member States in terms of number of detections (Romania and Italy) reported 80% of all fraudulent irregularities (and 78% of irregular financial amounts) related to direct aid, while they received about 14% of payments. With reference to non-fraudulent irregularities, the top two Member States in terms of number of detections (Italy and Romania) reported about 62% of such irregularities (and 77% of irregular financial amounts), while they received about 14% of payments.

The concentration of detections in relation to direct payments to farmers was analysed in detail in the 2018 PIF Report, covering the period 2014-2018.<sup>73</sup> The analysis suggests that the concentration of detections went beyond what could be expected given the level of concentration of payments related to direct aid to farmers among Member States. This may be due to different factors, including no uniform management and control systems and, for the fraudulent irregularities, different approaches to criminal investigation and prosecution to protect the EU financial interests.

### 3.4.4. Follow-up to suspected fraud

In the 2019 PIF Report, a new analysis was carried out into the follow-up Member States give to suspected fraud. The analysis covers the irregularities reported as suspected fraud

<sup>73</sup> Section 3.4.3.3 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final

from 2007 to 2013 and look at whether these irregularities have been dismissed, are still pending as suspected fraud or have been confirmed as established fraud. Details on the methodology for this analysis can be found in the 2019 PIF Report.<sup>74</sup>

Table NR31 includes the update of the *dismissal ratio*, *established fraud ratio* and *pending ratio*. The *dismissal ratio* gives the percentage of fraudulent irregularities reclassified as non-fraudulent over their lifetime, until end of 2020.<sup>75</sup> The *established fraud ratio* gives the percentage of fraudulent irregularities classified as established fraud by the end of 2020.<sup>76</sup> The *pending ratio* gives the percentage of fraudulent irregularities still classified as suspected fraud at the end of 2020.<sup>77</sup> The three percentages sum up to 100%.

Table NR31 - CAP - Programming Period 2007-2013, irregularities reported during the period 2007-2013

Member State	Dismissal		Established fraud		Pending		
	N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
AT	0	0	1	14	6	86	0
BE	0	0	1	13	7	88	0
BG	24	10	60	26	146	63	72
CY	0	0	0	0	1	100	100
CZ	14	88	2	13	0	0	NA
DE	10	42	4	17	10	42	40
DK	13	11	0	0	105	89	27
EE	1	5	7	33	13	62	0
ES	13	65	0	0	7	35	14
FR	10	50	0	0	10	50	30
GR	7	30	1	4	15	65	93
HU	57	78	6	8	10	14	30
IE	0	0	0	0	4	100	0
IT	31	35	7	8	51	57	78
LT	0	0	0	0	1	100	0
LU	0	0	0	0	1	100	100
LV	2	22	4	44	3	33	33
MT	0	0	0	0	5	100	100
NL	0	0	0	0	1	100	100
PL	31	22	24	17	89	62	39
PT	0	0	0	0	1	100	0
RO	3	2	16	11	125	87	91
SE	0	0	0	0	6	100	83
SI	0	0	4	31	9	69	11
SK	0	0	1	50	1	50	100
<b>EU27</b>	<b>216</b>	<b>22</b>	<b>138</b>	<b>14</b>	<b>627</b>	<b>64</b>	<b>58</b>

**Similar to 2019, about 22% of the irregularities reported as fraudulent were dismissed by the end of 2020. Another 64% of these irregularities were still pending and for about 40% of these cases, no change of status is to be expected.** This is because about 40% of the irregularities still labelled as suspected fraud at the end of 2020 were closed. This would indicate a significant underestimation of the *dismissal ratio*, which could be already

<sup>74</sup> See Section 3.4.4. of 'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2020)160 final (part 1/3)

<sup>75</sup> IRQ2 stands for non-fraudulent irregularities, IRQ3 stands for suspected fraud, IRQ5 stands for established fraud. The following paths are considered for the *dismissal ratio*: IRQ3IRQ2, IRQ2IRQ3IRQ2, IRQ5IRQ3IRQ2, IRQ3IRQ2IRQ5IRQ3IRQ2, IRQ3IRQ5IRQ3IRQ2, IRQ5IRQ2.

<sup>76</sup> The following paths are considered for the *established fraud ratio*: IRQ3IRQ5, IRQ2IRQ3IRQ5, IRQ2IRQ5, IRQ5, IRQ5IRQ3IRQ5, IRQ3IRQ2IRQ5.

<sup>77</sup> The following paths are considered for the *pending ratio*: IRQ3, IRQ2IRQ3, IRQ5IRQ3, IRQ3IRQ2IRQ3, IRQ3IRQ5IRQ3.

considered above 45%, and could potentially exceed 85% if most of the pending cases of suspected fraud are dismissed.

**The *dismissal ratio* varied across the Member States. High *dismissal ratios*, especially when associated with high *pending ratios*, may be either due to the detection phase or to the investigation/prosecution phase. Low *dismissal ratios* may be positive, but they may also be the result of many irregularities still pending.** After seven years following the end of the period under consideration (2007-2013), the *dismissal ratio* was zero or very low in many Member States. This indicator must be read in combination with the *pending ratio*. The *pending ratio* indicates that the *dismissal ratio* may increase in the future (depending on the number of cases that are still open) or that the *dismissal ratio* may be underestimated (depending on the number of cases that are already closed).

**There were few cases of established fraud. This may indicate the need to invest further in the investigation/prosecution phase.** At EU-27 level, the *established fraud ratio* was 14%. It was zero or very low in many Member States. In general, the *established fraud ratio* is not likely to increase significantly because, although 64% of cases are still classified as suspected fraud (*pending ratio*), about 40% are already closed and, in any case, between 7 and 14 years have already passed since the irregularity was detected.

### 3.5. Recovery cases

For an in-depth analysis of recovery and financial corrections in the CAP, see the DG AGRI's 2020 Annual Activity Report and the 2020 Annual Management and Performance Report for the EU Budget<sup>78</sup>.

## MAIN FINDINGS

### *Fraudulent irregularities*

Over the period 2016-2020, the number fraudulent irregularities in support to agriculture expenditure was rather stable. This was the case also for the financial amounts involved, apart from a significant increase in 2017-2018, caused by just two cases related to market measures.

The fraudulent irregularities in rural development expenditure were related to both PP 2007-2013 and PP 2014-2020. The number of irregularities related to PP 2007-2013 fell sharply as from 2017. This is line with the multiannual nature of the PP, which closed in 2015. The drop was not compensated by the increase in detections related to PP 2014-2020. During the first seven years of implementation, the management and control systems for PP 2014-2020 detected much fewer fraudulent irregularities than the systems for PP 2007-2013, during the first seven years of that PP (during 2009-2013). This slow start should be closely monitored to ensure it is not due to a reduced focus on combatting fraud.

During 2016-2020, more fraud was detected in rural development than in support to agriculture expenditure, in proportion to the payments received by the Member States. The weight of the financial amounts involved in fraudulent irregularities on payments (fraud detection rate - FDR) for rural development was three times that for support to agriculture (0.19% versus 0.06%). The FDR was 0.1% for the overall CAP expenditure. Reimbursement-based expenditure, such as rural development, is more prone to errors than entitlement-based

<sup>78</sup> COM (2021) 301 final on 8/6/2021. 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.



expenditure and provides more opportunities for fraudsters. Most support to agriculture payments concern direct aid to farmers, which recorded the lowest FDR, at 0.01%. In this area the integrated administration and control system and the parcel identification system support cross-checks, which enhances prevention. However, the other component of support to agriculture, market measures, accounted for the highest FDR, at 0.68%. Excluding a few irregularities involving exceptional financial amounts, the FDR was still 0.32%, nearly double that for rural development.

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

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

### *Non-fraudulent irregularities*

Over the period 2016-2020, non-fraudulent irregularities in support to agriculture expenditure continued to be rather stable. The irregular financial amounts linked to this part of the budget fluctuated strongly, mainly due to three cases related to market measures involving over EUR 10 million each reported in 2017 and 2019, and none detected in 2016, 2018 and 2020.

Non-fraudulent irregularities in rural development expenditure concerned both PP 2007-2013 and PP 2014-2020. The number of irregularities related to PP 2007-2013 fell sharply from 2016 to 2019. As for fraudulent irregularities, this was expected since this PP closed in 2015. The increase in detections related to PP 2014-2020 did not compensate for the decrease. This slow start is more in line with the situation at the start of PP 2007-2013 (see fraudulent irregularities in rural development). During the first seven years of implementation, the management and control systems for PP 2014-2020 detected a number of irregularities similar to the level achieved by the systems for PP 2007-2013 over the first seven years of implementation of that PP (*i.e.* during 2009-2013).

The number of non-fraudulent irregularities in rural development expenditure has regularly and significantly exceeded those in support to agriculture throughout the entire 2016-2020 period, with over double the number of irregularities. The ratio of the financial amounts involved in non-fraudulent irregularities on payments (the irregularity detection rate - IDR) was very different between the two types of support, as it was 0.16% for support to agriculture and 0.86% for rural development (0.33% for the overall CAP expenditure). Most of support to agriculture payments concern direct payments to farmers, which recorded the lowest IDR, at 0.07%. This is consistent with the findings of the European Court of Auditors, according to which payments made on an entitlement basis (such as direct payments to farmers, which represent most of CAP expenditure) is less prone to error than reimbursement-based expenditure (such as rural development). However, another part of support to agriculture, market measures, accounted for the highest IDR, at 1.64%. Excluding a few irregularities involving exceptional financial amounts, the IDR was 1.23%, still 50% higher than that for rural development.

### *Types of violation – support to agriculture*

Over the period 2016-2020, fraudulent irregularities in support to agriculture mainly concerned the documentary proof. Fraudulent irregularities concerning the request were also prevalent. In most cases, it was due to falsified documentary proof or falsified requests. A wide range of documents can be falsified, such as invoices and lease agreements. Requests for aid may include false information about the eligible area, compliance with other conditions for aid, etc. Irregularities concerning '*over declaration and/or declaration of fictitious product, species and/or land*' were also frequently detected.

The Member States detected few fraudulent cases related to the implementation of the action, but these cases accounted for the second highest financial amounts involved. High average financial amounts (about EUR 1.8 million) were recorded in several cases of conflict of interest combined with other violations. These irregularities were related to the market measure '*promotion*' and were investigated by OLAF, which uncovered a complex fraudulent scheme, mainly based on price inflation, kickback payments and money laundering. The public procurement procedures were also breached via a solid network of companies based in different countries. In some cases, the manipulation was possible also due to the collusion of the beneficiaries.

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

Non-fraudulent violations mostly concerned requests for aid. These requests were often falsified, which would not be expected for non-fraudulent irregularities. Similar findings apply to violations concerning documentary proofs, which were also quite frequent. Other prevalent types of irregularities not reported as fraudulent in support to agriculture expenditure concerned the implementation of the action, the '*over declaration and/or declaration of fictitious product, species and/or land*' and the operator not having the required quality.

For non-fraudulent irregularities, the highest financial amounts were due to infringements concerning the implementation of the action. In this area, the three most reported types of violations concerned the action itself (not implemented or not completed), and refusal to repay not spent or unduly paid amounts.

### *Types of violations – rural development*

Similar to irregularities in support to agriculture payments, over the period 2016-2020, irregularities in rural development mainly involved cases of falsified documentary proof or, to a lesser extent, falsified requests for aid. This may include falsified invoices, declarations of equipment as new while it is second-hand, bids in the context of procurement and information on compliance with conditions for receiving the aid. A significant number of rural development fraudulent irregularities were related to the action, which was often not implemented.

One Member State reported a high number of rural development fraudulent cases of beneficiaries creating artificial conditions to receive financial support, under the category '*ethics and integrity*' (see also support to agriculture). Only one irregularity was reported as corruption. Conflicts of interest were reported more often, especially in the context of public



procurement, together with other irregularities such as falsified requests for aid or documentary proof.

The highest number of non-fraudulent irregularities in rural development were related to the action, most often not completed, not implemented or delayed. Violations concerning the documentary proof (most often missing) or the beneficiary (most often not having the required quality) were also prevalent. They were also often combined with the violations concerning the action and with each other. Several cases of falsified documents or requests of aid were reported, which would not be expected for non-fraudulent irregularities.

There were just a few reported cases of conflict of interest. In 2020, the detection of non-fraudulent '*over declaration and/or declaration of fictitious product, species and/or land*' sharply increased.

### *Zooming in on market measures*

Individual fraudulent and non-fraudulent irregularities involving the highest financial amounts are often related to market measures. From 2016-2020, the few, but high-impact irregularities were related to aid to producer groups for preliminary recognition in the '*fruits and vegetables*' sector and a food programme for deprived persons.

The highest number of irregularities reported as fraudulent was related to national support programmes for the wine sector. Recent analysis showed that in this domain irregularities affect (i) investment measures; (ii) promotion, especially in non-EU markets; (iii) and the restructuring and conversion of vineyards.

The highest total financial amount was related to market measures concerning fruits and vegetables. In this context, recent analysis showed that fraudulent irregularities have an impact in particular on aid for producer groups for preliminary recognition, especially investment measures. After fruits and vegetable, the second highest total financial amount involved in fraudulent irregularities concerned the measure '*promotion*'. Recent analysis showed that in this sector, irregularities concern both the EU and non-EU markets, with higher financial amounts involved in non-EU markets.

For irregularities not reported as fraudulent, the category '*products of the wine-growing sector*' was the most frequently reported, but the highest total financial amount was for '*fruit and vegetables*'. The category '*food programmes*' was affected by few irregularities, but they accounted for high financial amounts, also due to one non-fraudulent irregularity.

### *Follow-up on the recommendation to improve detection capabilities*

Detection capability is key to the effectiveness and efficiency of the system for the protection of the EU budget. In the context of past PIF reports, the Commission recommended to the Member State to further exploiting the potential of risk analysis. The Commission also recommended improving the spontaneous reporting of potential irregularities and strengthening the protection of whistle blowers, who are also a crucial source for investigative journalism. So far, there has been little improvement on the ground, at least in terms of detections after requests for reimbursement are sent to the Commission.

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

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

Detection rates are the outcome of the checks carried out by the Member States and they can vary across Member States due to different underlying levels of irregularities and fraud, but also due to differences in the quality of prevention or detection work or different reporting practices. Over the period 2016-2020, the FDR exceeded 0.40% in Bulgaria, Estonia and Romania. However, the picture changes depending on the CAP sector. For rural development, Estonia, Romania, Denmark, and Bulgaria recorded the highest FDRs, while Bulgaria and Portugal scored the highest IDRs. For market measures, the FDR was the highest in Poland and Bulgaria, but also significantly higher than the EU average in Czechia. The IDR was the highest in Poland, Romania and Malta, but it was also more than double the EU average also in Hungary. For direct aid, Italy and Romania recorded both the highest FDRs and the highest IDRs.

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

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

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

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

Analysis suggests that the dismissal ratio is significantly underestimated. About 64% of the irregularities reported as fraudulent were still pending. However, for about 40% of them no changes of status are to be expected, because they are closed cases. There were few cases of established fraud. This may indicate the need to invest further in the investigation/prosecution phase.



Brussels, 20.9.2021  
SWD(2021) 258 final

PART 2/2

## COMMISSION STAFF WORKING DOCUMENT

**Statistical evaluation of irregularities reported for 2020: 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**

**32<sup>nd</sup> Annual Report on the protection of the European Union's financial interests - Fight  
against fraud - 2020**

{COM(2021) 578 final} - {SWD(2021) 257 final} - {SWD(2021) 259 final} -  
{SWD(2021) 262 final} - {SWD(2021) 263 final} - {SWD(2021) 264 final}

## TABLE OF CONTENTS

LIST OF ABBREVIATIONS.....	66
4. COHESION, FISHERIES AND OTHER INTERNAL POLICIES.....	67
EXECUTIVE SUMMARY .....	67
4.1. Introduction.....	69
4.2. General analysis .....	70
4.2.1. Irregularities reported as fraudulent.....	70
4.2.1.1. Trend by programming period.....	70
4.2.1.2. Trend by Fund.....	72
4.2.2. Irregularities not reported as fraudulent.....	75
4.2.3. Irregularities reported in relation to the PP 2014-2020: comparison with PP 2007-2013 .....	76
4.3. Specific analysis.....	95
4.3.1. Detection rates by objective.....	95
4.3.2. Priorities concerned by the reported irregularities.....	96
4.3.2.1. Irregularities reported as fraudulent (fisheries not included) .....	96
4.3.2.2. Irregularities not reported as fraudulent (fisheries not included) .....	97
4.3.2.3. Irregularities related to investments in health infrastructure .....	99
4.4. Reasons for carrying out checks .....	105
4.5. Antifraud and control activities by Member States .....	106
4.5.1. Duration of irregularities.....	106
4.5.2. Detection of irregularities reported as fraudulent by Member State	107
4.5.3. Fraud detection rate.....	108
4.5.4. Irregularity detection rate.....	110
4.5.5. Follow-up to suspected fraud (programming period 2007-2013)....	110
4.6. Other internal policies.....	112
MAIN FINDINGS .....	115
5. PRE-ACCESSION POLICY .....	119
EXECUTIVE SUMMARY .....	119

5.1.	Introduction.....	120
5.2.	Instruments for Pre-accession Assistance.....	120
5.2.1.	Before 2007: Pre-accession Assistance (PAA).....	120
5.2.2.	2007-2013: The Instrument for Pre-accession Assistance (IPA I) ..	120
5.2.3.	2014 – 2020: The Instrument for Pre-accession Assistance (IPA II).....	121
5.3.	General analysis .....	122
5.4.	Pre-accession Assistance (PAA 2000-2006) .....	123
5.4.1.	Recent trends.....	123
5.4.2.	Recent trends by component.....	124
5.4.3.	Recent trends by beneficiary country.....	124
5.4.4.	Trends since the start of PAA, by beneficiary country and component.....	124
5.5.	Instrument for Pre-Accession Assistance (IPA I, 2007-2013).....	126
5.5.1.	Recent trends.....	126
5.5.2.	Recent trends by component.....	126
5.5.3.	Recent trends by beneficiary country.....	127
5.5.4.	Trends since the start of IPA I, by beneficiary country and component.....	127
5.6.	Instrument for Pre-accession Assistance II (IPA II 2014-2020).....	128
5.6.1.	Recent trends.....	128
5.6.2.	Recent trends by component.....	129
5.6.3.	Recent trends by beneficiary country.....	129
5.6.4.	Trends since the start of IPA II, by beneficiary country and component.....	130
6.	DIRECT MANAGEMENT .....	131
6.1.	Introduction.....	131
6.2.	General analysis .....	132
6.2.1.	Five year analysis 2016-2020 .....	132
6.3.	Specific analysis.....	133
6.3.1.	Recoveries according policy areas.....	133
6.3.2.	Recoveries according to legal entity residence .....	135
6.3.3.	Method of detection .....	136
6.3.4.	Types of irregularity .....	137
6.3.5.	Recovery .....	137
	COUNTRY FACTSHEETS .....	139

Belgium - Belgique/België .....	139
Bulgaria – България .....	140
Czech Republic - Česká republika .....	141
Denmark – Danmark .....	142
Germany – Deutschland .....	143
Estonia – Eesti .....	144
Ireland – Éire .....	145
Greece – Ελλάδα .....	146
Spain – España .....	147
France .....	148
Croatia – Hrvatska .....	149
Italy – Italia .....	150
Cyprus – Κύπρος .....	151
Latvia – Latvija .....	152
Lithuania – Lietuva .....	153
Luxembourg .....	154
Hungary - Magyarország .....	155
Malta	156
Netherlands - Nederland .....	157
Austria – Österreich .....	158
Poland – Polska .....	159
Portugal .....	160
Romania – România .....	161
Slovenia – Slovenija .....	162
Slovakia – Slovensko .....	163
Finland – Suomi-Finland .....	164
Sweden – Sverige .....	165
ANNEXES .....	166

## LIST OF ABBREVIATIONS

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



## 4. COHESION, FISHERIES AND OTHER INTERNAL POLICIES

### EXECUTIVE SUMMARY

Between 2016 and 2020, the number of fraudulent and non-fraudulent irregularities related to the 2007-2013 programming period decreased for the Cohesion Fund, the European Regional Development Fund, the European Social Fund and the Fisheries Funds (the European Structural and Investment Funds - ESIF), in line with the implementation cycle. The number of irregularities reported for the 2014-2020 programming period increased. For non-fraudulent irregularities this increase was, however, limited, highlighting an exceptional fall in the number of detected irregularities (and related financial amounts) in comparison to the previous programming period. The gap is significant for all Funds, but in particular for the European Regional Development Fund.

A number of implementation rules changed between the two programming periods. Further analysis would be needed to understand whether this decline is due to better management and prevention, including more effective and proportionate risk-based anti-fraud measures, or due to insufficient enforcement or reporting issues. A wider use of simplified cost options might be contributing to the decline of non-fraudulent irregularities for the European Social Fund for the 2014-2020 programming period.

For the 2014-2020 programming period, ESIF-funded research and technological development, innovation and entrepreneurship projects were the most affected by fraudulent as well non-fraudulent irregularities, similarly to the previous period. The highest financial amounts related to non-fraudulent irregularities were with infrastructure projects, in particular motorway and road projects.

ESIF projects to improve a country's health infrastructure are complex, requiring the procurement of services, works, and supplies of medical and ordinary equipment. Fraud and irregularities in this sector were therefore especially related to public procurement for both programming periods. National authorities must keep an eye on the risks that go with urgent spending based on simplified procedures and triggered by the COVID-19 crisis.

Past analysis of data from the 2007-2013 programming period suggested that the concentration of detections in the Member States could not be fully explained by the concentration of payments in these Member States. Other explanations could be different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different reporting practices. The Commission recommended that the Member States make better use of risk analysis and improve the spontaneous reporting of potential irregularities. So far, there has been little improvement in the Member States.

It is still too early to assess the indicators related to the detection of fraud and irregularities (fraud detection rate – FDR and irregularities detection rate - IDR) for the 2014-2020 programming period. Experience from the previous period suggests that most irregularities are still to be detected. In Slovakia, the high FDR (15%) is due to three irregularities, accounting for about EUR 850 million. In Romania, the FDR exceeded 1%, while it was still close to zero in most of the other Member States. Slovakia recorded the highest IDR, at 6.5%. In line with the general decrease in non-fraudulent irregularities reported, the IDR was above 1% only in Bulgaria and below 1% in all other Member States.

The proportion of cases of suspected fraud that were reported about ten years ago and that did not lead to conviction is very high, while the cases of established fraud are few. This may

point to the need to invest further in the reporting of suspected fraud and in the investigation/prosecution phase.

Concerning shared management Funds to finance other internal policies, the Fund for European Aid to the Most Deprived was the Fund most affected by fraud. More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: Asylum, Migration and Integration Fund, the Fund for European Aid to the Most Deprived and the Youth Employment Initiative.

#### 4.1. Introduction

Section 4 presents a statistical evaluation of irregularities and fraud detected by the Member States during 2020, with reference to the cohesion and fishery policies. It places these detections in the context of past years and relevant programming periods.

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

- The European Regional Development Fund (ERDF), which promotes balanced development in the different regions of the EU;
- The European Social Fund (ESF), which supports employment-related projects throughout Europe and invests in Europe's human capital, *i.e.* its workers, its young people and all those seeking a job;
- The Cohesion Fund (CF), which funds transport and environment projects in countries where the gross national income (GNI) per inhabitant is less than 90% of the EU average. In 2014-2020, these countries were Bulgaria, Croatia, Cyprus, Czechia, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia;
- The European Agricultural Fund for Rural Development (EAFRD)<sup>79</sup>, which focuses on resolving the particular challenges facing the EU's rural areas;
- The European Maritime and Fisheries fund (EMFF), which helps fishers to adopt sustainable fishing practices and coastal communities to diversify their economies, improving quality of life along European coasts. Due to the operating rules of the EMFF and the European Fisheries Fund (EFF), which are very similar to those of the other Structural Funds, irregularities reported by Member States in relation to fisheries policies are treated in this section, jointly with the Funds for cohesion and economic convergence.

For 2014-2020, EUR 454 billion<sup>80</sup> has been allocated to ESIF for project funding. National co-financing is expected to amount to at least EUR 183 billion, with total investment reaching EUR 637 billion. The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy and environment. They mainly focus on five areas: (i) research and innovation; (ii) digital technologies; (iii) supporting the low-carbon economy; (iv) sustainable management of natural resources; and (v) small businesses.

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

After this introduction, Section 4.2. focuses on general trends for fraudulent irregularities and general trends for non-fraudulent irregularities. It compares detection in the programming period (PP) 2014-2020 with detection in PP 2007-2013, to better assess current trends in detecting irregularities. Section 4.3. analyses more specifically detection rates by objective and the priorities most affected by fraud and irregularities. This includes a deeper analysis of the potential risks related to investments in health infrastructure. Section 4.4. focuses on the reasons for carrying out checks that led to the detection of irregularities. Section 4.5. takes a closer look at the Member States' anti-fraud activities and the results obtained, analysing fraud and irregularity detection rates (the ratio between the amounts involved in cases

<sup>79</sup> EAFRD expenditure is considered in Section 3 'Common agricultural policy', when focusing on rural development.

<sup>80</sup> In 2011 prices.

reported as fraudulent (FDR) or not reported as fraudulent (IDR) and the relevant payments). Section 4.6. provides figures on other shared management Funds.

## 4.2. General analysis

The analysis in this section refers to the EU-27, unless specified otherwise. **UK data is added in the tables, as specified, to give a complete picture. However, the accompanying analysis is focused on the current Member States and the EU-27 aggregate.** In the whole report, when reference is made to ‘fraudulent’ or ‘fraud’, it includes ‘*suspected fraud*’ and ‘*established fraud*’.<sup>81</sup>

Member States are requested to communicate irregularities with financial amounts above EUR 10 000. During 2016-2020, several Member States also reported a number of irregularities below this threshold<sup>82</sup>. However, these irregularities represented less than 2% of all irregularities reported (EU-27). They are included in the analysis for this report, to make use of all available information.<sup>83</sup>

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

### 4.2.1. Irregularities reported as fraudulent

#### 4.2.1.1. Trend by programming period

Table CP1 provides an overview by programming period and by Fund of the **irregularities reported as fraudulent** in the past 5 years (2016-2020)<sup>84</sup>.

**Fraudulent irregularities related to PP 2007-2013** peaked in 2015, gradually decreased in the following years and in 2018 they were overtaken by those related to PP 2014-2020. These **dynamics are in line with known trends and patterns** in the detection and reporting of irregularities and are linked to the PP 2007-2013 implementation cycle<sup>85</sup>.

---

<sup>81</sup> ‘*Suspected fraud*’ means an irregularity that gives rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of intentional behaviour, in particular fraud, as referred to in Article 1(1)(a) of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities’ financial interests’. Regardless of the approach adopted by each Member State, ratification of the 1995 Convention has equipped every country with a basis for prosecuting and possibly imposing penalties for specific conducts. If this occurs, i.e. a guilty verdict is issued and is not appealed against, the case can be considered ‘*established fraud*’. See ‘*Handbook on ‘Reporting irregularities in shared management’*’ (2017).

<sup>82</sup> The reporting of irregularities below this threshold during 2015-2019 has been analysed in the framework of the 2019 PIF Report (see Section 4.1 of ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final (part 2/3)).

<sup>83</sup> Data for this report was downloaded from the irregularities management system (IMS) on 8 March 2021. When entering a case, the contributor is requested to specify the currency in which the amounts are expressed. Where the value of this field is ‘EUR’ or the field was left blank, no transformation is applied. Where this field was filled with another currency, the financial amounts involved in the irregularity have been transformed, based on the exchange rates published by the European Central Bank (ECB) at the beginning of 2021.

<sup>84</sup> In some cases, the Member States reported irregularities as non- fraudulent, while a penal procedure had been started. This may be due to the need to wait for some procedural steps before classifying an irregularity as fraudulent. These cases are not included as fraudulent in the analysis for this report; considering them as such would increase the number of fraudulent irregularities by about 9% (2% in terms of financial amounts involved).

<sup>85</sup> When support is based on multiannual programmes, the number of irregularities can be expected to increase around the end of the eligibility period and decrease afterwards, when routine controls are less intense. In

Reporting related to **PP 2014-2020** basically started in 2017. It is **on an increasing trend**, despite an unexpected drop in 2019. The current fraud frequency level (FFL)<sup>86</sup> for PP 2014-2020 is high, at 11%. To put this into context, during the whole period between 2007 and 2020, FFL for PP 2007-2013 was just 5%. This **higher tendency to detect fraud is influenced by a strong decrease in non-fraudulent irregularities** with respect to PP 2007-2013. This is analysed further in the next sections.

Table CP1: Number of irregularities reported as fraudulent between 2016 and 2020 by programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	2016 N	REPORTING YEAR				TOTAL PERIOD N
		2017 N	2018 N	2019 N	2020 N	
<b>Programming period 2014-20</b>	2	21	187	108	231	549
CF	0	0	23	3	24	50
ERDF	0	6	118	77	152	353
ESF	2	15	35	24	51	127
EMFF	0	0	11	4	4	19
<b>Programming period 2007-13</b>	297	238	127	75	50	787
CF	10	17	2	7	4	40
ERDF	207	183	103	42	41	576
ESF	72	32	21	20	5	150
EFF	8	6	1	6	0	21
<b>Programming period 2000-06</b>	3	3	3	0	0	9
ERDF	1	0	3	0	0	4
ESF	0	3	0	0	0	3
GUID	2	0	0	0	0	2
<b>TOTAL EU27</b>	<b>302</b>	<b>262</b>	<b>317</b>	<b>183</b>	<b>281</b>	<b>1,345</b>
UK	4	1	3	3	3	14

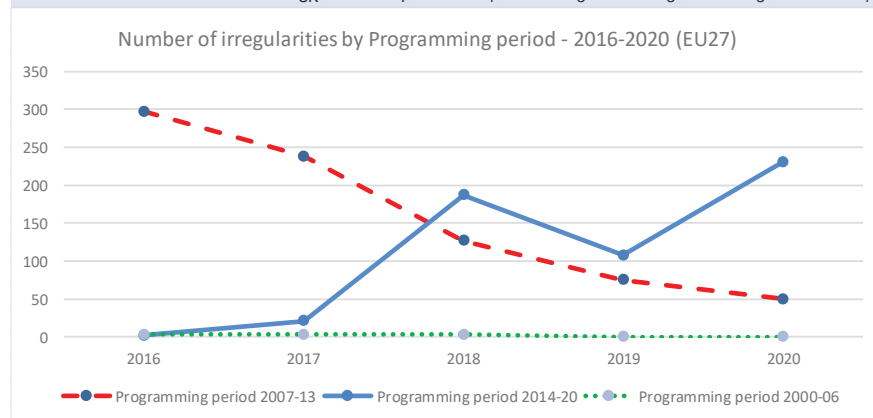


Table CP2 provides an overview by programming period and by Fund of the **financial amounts involved in cases reported as fraudulent**. The financial amounts tend to fluctuate more due to the possibility of individual cases involving high amounts.

For **PP 2007-2013**, while the number of irregularities peaked in 2015, the **financial amounts remained rather stable until 2017**. Then the amounts started decreasing in 2018 and dropped in 2019. **In 2020**, there was a rebound mainly due to **two ERDF irregularities reported by Italy and Romania**, totalling more than EUR 30 million.

For **PP 2014-2020**, in **2018**, the financial amounts skyrocketed at EUR 650 million. However, this was due to **two ERDF irregularities reported by Slovakia, accounting for EUR 590 million**. In **2019**, the financial amounts decreased, but remained very high. Again, this was due to **a CF irregularity of EUR 270 million reported by Slovakia**. In the absence of these three irregularities, **financial amounts for PP 2014-2020 would have**

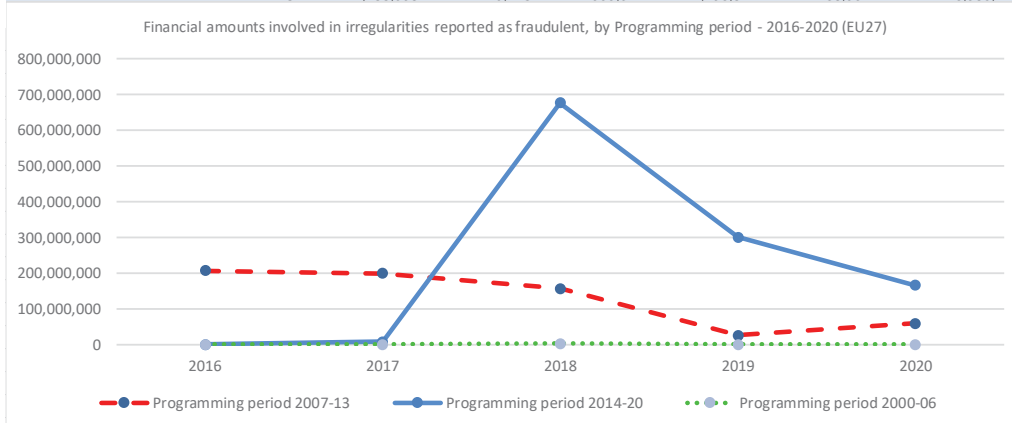
general, increases in the number of reported irregularities can be influenced by Member States' building up their capacity to detect irregularities.

<sup>86</sup> FFL is the ratio between the number of fraudulent irregularities reported during a certain period and the total number of irregularities (fraudulent and non-fraudulent) reported during the same period.

tended to be rather subdued, despite the increasing number of detections. The acceleration in 2020 was supported by five CF cases reported by Romania, totalling EUR 85 million.

Table CP2: Financial amounts related to the irregularities reported as fraudulent between 2016-2020 by programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
Programming period 2014-20	382,136	8,519,559	675,870,396	300,577,636	165,565,115	1,150,914,842
CF	0	0	17,184,367	274,706,333	115,053,808	406,944,508
ERDF	0	5,000,121	651,169,509	23,953,552	43,342,012	723,465,194
ESF	382,136	3,519,438	6,455,115	1,674,120	4,454,517	16,485,326
EMFF	0	0	1,061,405	243,631	2,714,778	4,019,814
Programming period 2007-13	206,220,342	198,992,885	157,150,394	26,292,448	59,547,940	648,204,009
CF	15,095,607	24,270,579	326,696	2,863,856	1,902,892	44,459,630
ERDF	184,049,301	166,601,475	119,328,531	22,364,543	53,388,152	545,732,002
ESF	6,403,756	4,168,151	37,459,036	405,069	4,256,896	52,692,908
EFF	671,678	3,952,680	36,131	658,980	0	5,319,469
Programming period 2000-06	570,020	298,536	2,691,706	0	0	3,560,262
ERDF	41,591	0	2,691,706	0	0	2,733,297
ESF	0	298,536	0	0	0	298,536
GUID	528,429	0	0	0	0	528,429
<b>TOTAL EU27</b>	<b>207,172,498</b>	<b>207,810,980</b>	<b>835,712,496</b>	<b>326,870,084</b>	<b>225,113,055</b>	<b>1,802,679,113</b>
UK	1,488,095	40,118	999,024	1,193,812	235,061	3,956,110



Also because of the higher share of EU financing channelled through this Fund, **ERDF irregularities were prevalent**. Of the irregularities detected between 2016 and 2020 for PP 2007-2013, 73% (84% of financial amounts) concerned ERDF. For PP 2014-2020, 64% (63% of the financial amounts) concerned ERDF.

Those involved were most often legal entities. **In most Member States, private companies represent the majority of those involved**. The only exception with a large sample is Spain, where most of the reported entities were sub-national governmental bodies.<sup>87</sup>

#### 4.2.1.2. Trend by Fund

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

- (1) **ERDF was the Funds most affected**, because it had the highest number of cases reported as fraudulent, and the related financial amounts were the highest.

The number of irregularities reported as fraudulent **jumped in 2015**. Since then it has **fluctuated around the new, higher level**. This was possible because the drop in new

<sup>87</sup> This is based on the analysis included in the 2019 PIF Report, covering 2015-2019 (see Section 4.2.3. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final (part 2/3)). A person involved is anyone who had or has a substantial role in the irregularity. This could be the beneficiary, the person who initiated the irregularity (such as the manager, consultant or adviser), the person who committed the irregularity, etc.



cases related to PP 2007-2013 was offset by the rise in detected irregularities related to PP 2014-2020. This did not happen in 2019: the number of cases for PP 2007-2013 and PP 2014-2020 decreased significantly.

Instead of peaking in 2015, the ERDF financial amounts continued to increase in 2016, and in **2018** they literally skyrocketed. As mentioned, the extreme rise in 2018 was strongly influenced by the **two irregularities reported by Slovakia (totalling EUR 590 million) for PP 2014-2020.**

- (2) After a **decrease in 2017, the number of ESF fraudulent irregularities was rather stable.** Detections related to PP 2007-2013 have been slowly decreasing while the detections for PP 2014-2020 have been slowly increasing. The financial amounts recorded an extraordinary increase in **2018**, due to **an irregularity reported by Portugal, accounting for more than EUR 30 million, related to PP 2007-2013;**
- (3) Since 2010, potential fraud affecting the CF is regularly reported. **In 2020, the majority of detections took place in Romania,** while in 2018 it was Slovakia reporting most cases. The amounts can fluctuate quite significantly, because of the low number of cases and high amounts involved in the projects financed by the CF. In **2017**, the irregular financial amounts increased, due to **one case reported by Greece (accounting for more than EUR 14 million).** As mentioned, in **2019**, the financial amounts skyrocketed because of an **irregularity reported by Slovakia, accounting for EUR 270 million.** In **2020**, the financial amounts remained high because of **five irregularities reported by Romania, totalling EUR 85 million.**

These trends in financial amounts are also due to **different reporting patterns in the Member States.** This is examined in the 2019 PIF Report, with reference to the 2015-2019 period<sup>88</sup>. For the **CF**, Slovakia had a tendency to detect and report fraudulent cases with large financial amounts, supported by the propensity to identify irregularities covering most of the related expenditure. Italy, Portugal and Slovakia showed a similar pattern for the **ERDF**. For the **ESF**, Portugal, Poland and Romania had a tendency to detect and report fraudulent cases with large financial amounts, and only for Portugal was this supported by the propensity to identify irregularities covering a significant share of the related expenditure. Italy detected few ESF irregularities, but with exceptionally high amounts involved.

---

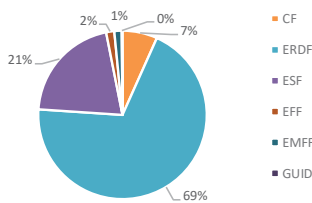
<sup>88</sup> See Section 4.1.1.2. of ‘*Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure*’, SWD(2020)160 final (part 2/3)

# COHESION AND FISHERIES

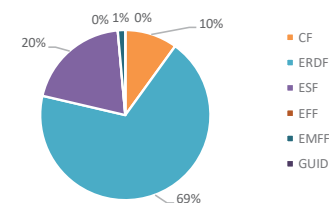
Table CP3: Number of irregularities reported as fraudulent between 2016-2020 by Fund - Cohesion and fisheries policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
CF	10	17	25	10	28	90
ERDF	208	189	224	119	193	933
ESF	74	50	56	44	56	280
EFF	8	6	1	6	0	21
EMFF	0	0	11	4	4	19
GUID	2	0	0	0	0	2
<b>TOTAL EU27</b>	<b>302</b>	<b>262</b>	<b>317</b>	<b>183</b>	<b>281</b>	<b>1,345</b>
UK	4	1	3	3	3	14

Irregularities reported as fraudulent 2016-2020 by Fund (EU27)



Irregularities reported as fraudulent in 2020 by Fund (EU27)



Irregularities reported as fraudulent 2016-2020 by Fund (CF, ERDF, ESF) (EU27)

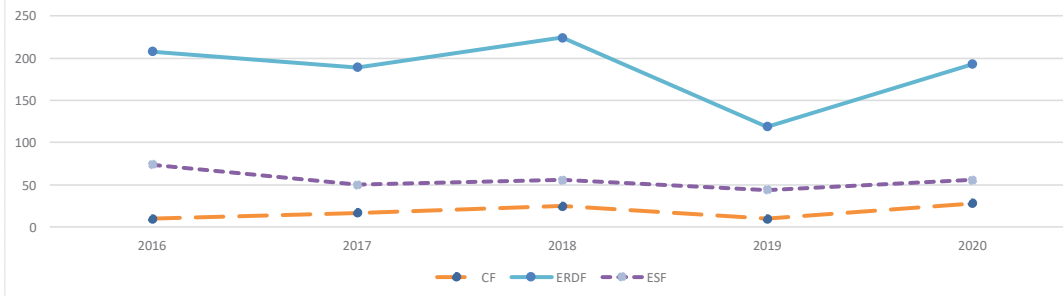
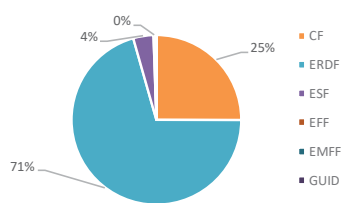


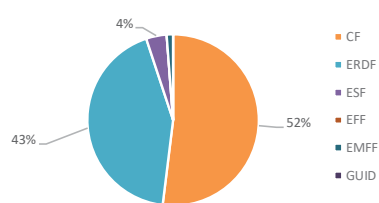
Table CP4: Financial amounts related to irregularities reported as fraudulent between 2016-2020 by Fund - Cohesion and fisheries policies

FUND	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
CF	15,095,607	24,270,579	17,511,062	277,570,190	116,956,700	451,404,138
ERDF	184,090,892	171,601,596	773,189,747	46,318,094	96,730,164	1,271,930,493
ESF	6,785,892	7,986,125	43,914,151	2,079,190	8,711,413	69,476,771
EFF	671,678	3,952,680	36,131	658,980	0	5,319,469
EMFF	0	0	1,061,405	243,631	2,714,778	4,019,814
GUID	528,429	0	0	0	0	528,429
<b>TOTAL EU27</b>	<b>207,172,498</b>	<b>207,810,980</b>	<b>835,712,496</b>	<b>326,870,085</b>	<b>225,113,055</b>	<b>1,802,679,114</b>
UK	1,488,095	40,118	999,024	1,193,812	235,061	3,956,110

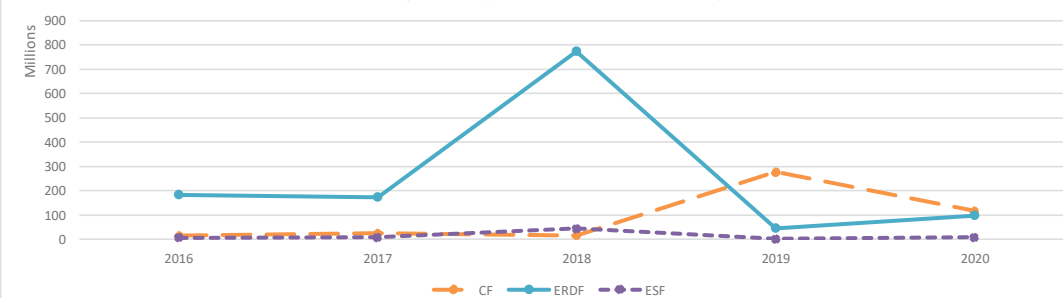
Irregularities reported as fraudulent 2016-2020 by Fund (EU27)



Irregularities reported as fraudulent in 2020 by Fund (EU27)



Financial amounts involved in irregularities reported as fraudulent 2016-2020 by Fund (CF, ERDF, ESF) (EU27)



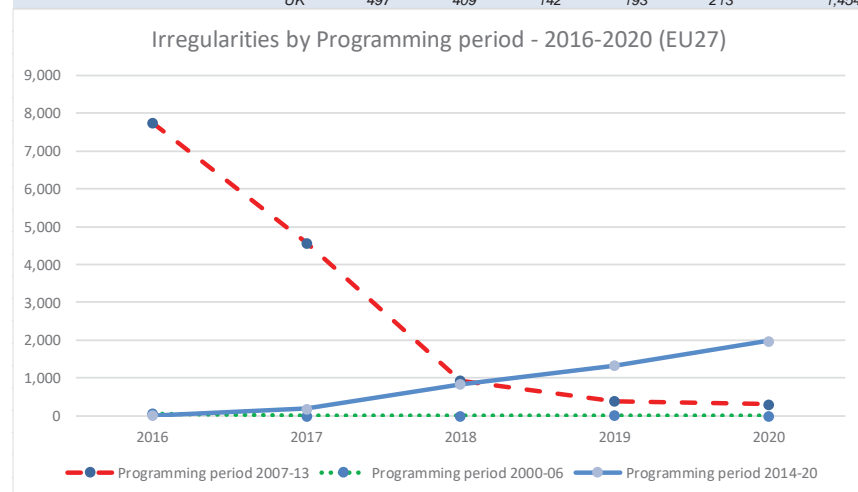
4.2.2. Irregularities not reported as fraudulent

Table CP5 provides an overview by programming period and by Fund of the irregularities not reported as fraudulent in the past five years (2016-2020). Table CP6 shows the financial amounts involved in these irregularities. As mentioned, fluctuations in the financial amounts are broader and more frequent than in the number of detections and they can be linked to individual irregularities or groups of irregularities of huge value.

The **decrease in the number of irregularities and financial amounts related to PP 2007-2013** was significant. This is **in line with the multiannual nature** of structural programmes, which were closed already in 2015. This trend was common to all Funds. The financial amounts experienced a similar drop. However, **in 2020 financial amounts increased for all Funds**, except for the EFF. **Slovakia reported two CF** non-fraudulent irregularities, totalling more than EUR 40 million, and **Romania and Slovakia reported two ERDF** cases, accounting for EUR 30 million.

Table CP5: Number of irregularities not reported as fraudulent between 2016 and 2020 by Programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	N	N	N	N	N	
<b>Programming period 2014-20</b>	14	190	835	1,331	1,980	4,350
CF	2	38	97	149	123	409
ERDF	5	94	471	784	1305	2,659
ESF	5	55	256	357	515	1,188
EMFF	2	3	11	41	37	94
<b>Programming period 2007-13</b>	7,733	4,574	936	394	310	13,947
CF	422	390	83	35	30	960
ERDF	5920	3335	612	306	225	10,398
ESF	1145	675	213	29	38	2,100
EFF	246	174	28	24	17	489
<b>Programming period 2000-06</b>	57	8	6	12	7	90
CF	2	1	0	0	0	3
ERDF	47	5	5	11	2	70
ESF	4	1	1	0	1	7
GUID	4	1	0	1	4	10
<b>Programming period 1994-1999</b>	1	0	0	0	0	1
ERDF	1	0	0	0	0	1
<b>TOTAL EU27</b>	<b>7,805</b>	<b>4,772</b>	<b>1,777</b>	<b>1,737</b>	<b>2,297</b>	<b>18,388</b>
UK	497	409	142	193	213	1,454

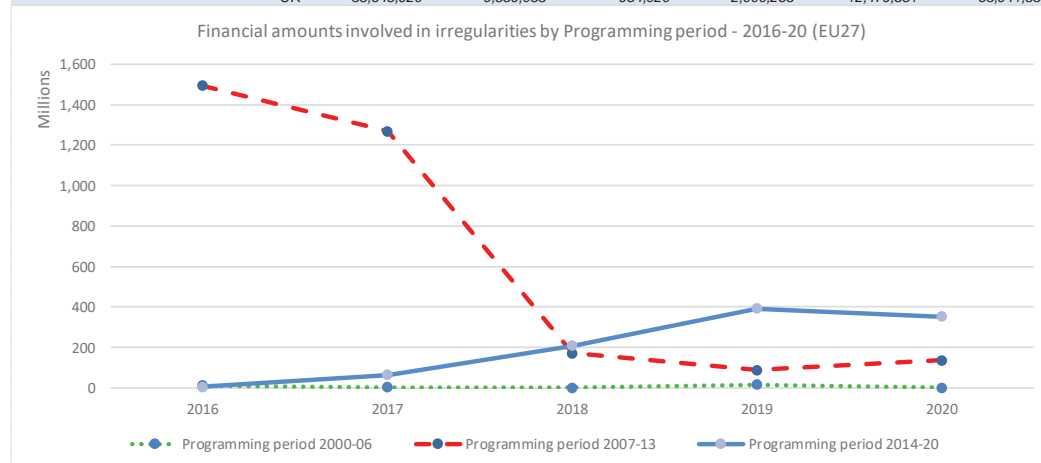


Basically, detections related to PP 2014-2020 began to be reported in 2016. Since then, detections and irregular financial amounts related to **PP 2014-2020 have been increasing for all Funds, but less than expected** when compared to the previous programming period. Furthermore, in **2020**, there was a **decrease in the number of CF and EFF** non-fraudulent irregularities and in the **financial amounts involved in the CF and the ESF**. However, the drop in the financial amounts for the CF was due to the peak reached in **2019. Slovakia**

reported two irregularities, together accounting for more than EUR 120 million, which contributed to this peak.

Table CP6: Financial amounts related to irregularities not reported as fraudulent between 2016 and 2020 by Programming period - Cohesion and fisheries policies

FUND / PROGRAMMING PERIOD	REPORTING YEAR					TOTAL PERIOD
	2016	2017	2018	2019	2020	
	EUR	EUR	EUR	EUR	EUR	EUR
Programming period 2014-20	4,377,517	64,518,270	209,018,886	391,751,853	353,405,908	1,023,072,434
CF	671,052	9,434,500	64,322,597	215,572,015	102,525,108	392,525,272
ERDF	2,804,891	51,267,559	101,874,871	127,802,555	206,931,015	490,680,891
ESF	733,646	3,538,328	42,078,334	44,556,229	40,773,803	131,680,340
EMFF	167,928	277,883	743,084	3,821,054	3,175,962	8,185,931
Programming period 2007-13	1,493,180,386	1,268,304,343	171,434,444	87,292,152	136,583,991	3,156,795,316
CF	213,856,332	247,984,659	24,981,267	17,211,055	43,940,884	547,974,197
ERDF	1,138,671,518	913,165,189	125,103,491	60,389,786	78,680,411	2,316,010,395
ESF	113,315,204	85,183,284	18,910,357	4,587,798	10,951,889	232,948,532
EFF	27,337,332	21,971,211	2,439,329	5,103,513	3,010,807	59,862,192
Programming period 2000-06	11,230,381	3,701,229	1,124,363	15,828,702	302,935	32,187,610
CF	2,856,923	1,915,597	0	0	0	4,772,520
ERDF	5,128,626	827,746	1,097,723	15,443,614	77,835	22,575,544
ESF	137,061	930,270	26,640	0	65,822	1,159,793
GUID	3,107,771	27,616	0	385,088	159,278	3,679,753
Programming period 1994-1999	6,430	0	0	0	0	6,430
ERDF	6,430	0	0	0	0	6,430
<b>TOTAL EU27</b>	<b>1,508,794,714</b>	<b>1,336,523,842</b>	<b>381,577,693</b>	<b>494,872,707</b>	<b>490,292,834</b>	<b>4,212,061,790</b>
UK	38,648,920	9,859,053	954,020	2,000,265	12,479,581	63,941,838



As for the fraudulent irregularities, these trends in financial amounts are also due to different reporting patterns in the Member States. This was examined in the 2019 PIF Report, with reference to the 2015-2019 period<sup>89</sup>. For the CF, Slovakia had a tendency to detect and report non-fraudulent irregularities with large financial amounts involved, also because on average the irregularities covered a significant share of the related expenditure. Slovakia, Romania, Italy, Czechia and Poland tended to report large financial amounts for the ERDF. Slovakia and Hungary tended to do the same for the ESF.

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

The current programming period started in 2014, about 7 years ago. Reporting of irregularities basically began in 2016 and increased in the following years. To put this trend into perspective, it can be compared with the number and financial amounts of the irregularities that were recorded during the first 7 years of PP 2007-2013. Tables CP7 and

<sup>89</sup> See Section 4.1.2. of 'Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2020)160 final (part 2/3)

CP8 provide this information<sup>90</sup>. The following graphs provide a more precise comparison, based also on the actual date of reporting<sup>91</sup>. In any case, it must be borne in mind that this comparison is affected by the fact that the irregularities related to PP 2007-2013 are more 'mature' than irregularities related to PP 2014-2020, which have only just recently been reported. The number of irregularities related to PP 2007-2013 and the financial amounts involved are the result of several years of investigation (after detection). This brought into the picture additional information to: (i) confirm or refute the hypothesis that an irregularity had been perpetrated<sup>92</sup>; (ii) classify the irregularity (as fraudulent or non-fraudulent); (iii) to quantify the financial amounts actually involved, etc.

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

	REPORTING YEAR								Total
	2007	2008	2009	2010	2011	2012	2013		
<b>PP 2007-2013</b>									
N	0	0	47	39	95	126	219	526	
EUR	0	0	126,882,279	17,115,666	117,794,696	164,472,268	97,064,475	523,329,384	
<b>PP 2014-2020</b>									
N	0	1	2	21	187	108	231	550	
EUR	0	150,672	382,136	8,519,559	675,870,395	300,577,636	165,565,116	1,151,065,514	

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

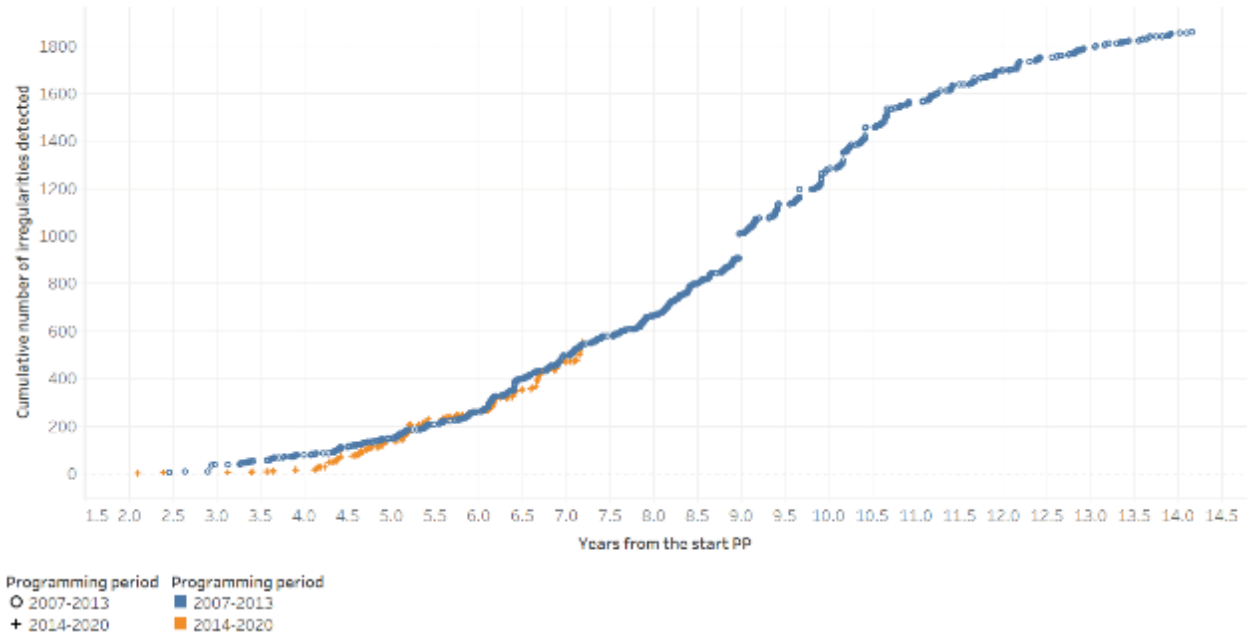
	REPORTING YEAR								Total
	2007	2008	2009	2010	2011	2012	2013		
<b>PP 2007-2013</b>									
N	0	7	104	936	1,839	2,752	3,681	9,319	
EUR	0	84,320	28,556,741	113,481,134	342,458,565	1,044,672,068	796,268,796	2,325,521,624	
<b>PP 2014-2020</b>									
N	0	1	14	190	835	1,331	1,980	4,351	
EUR	0	15,872	4,377,518	64,518,270	209,018,885	391,751,852	353,405,908	1,023,088,305	

<sup>90</sup> Tables CP7 and CP8 include irregularities corresponding to the year with which the irregularity is associated, regardless of when it was reported. Typically, the irregularities reported during the first months of year x+1 refer to the year x. However, there can be cases where an irregularity reported later during the year x+1 is still associated with year x. In order to take this factor into consideration, all subsequent comparisons are based on irregularities associated with the first 7 years of implementation (2007-2013 – for PP 2007-2013 - or 2014-2020 – for PP 2014-2020) AND reported before 8 March 2014 (for PP 2007-2013) or 8 March 2021 (for PP 2014-2020). See also next footnote. Differences between figures reported in Tables CP7 and CP8 and figures reported later in this report may depend also on whether or not the fisheries policy is included.

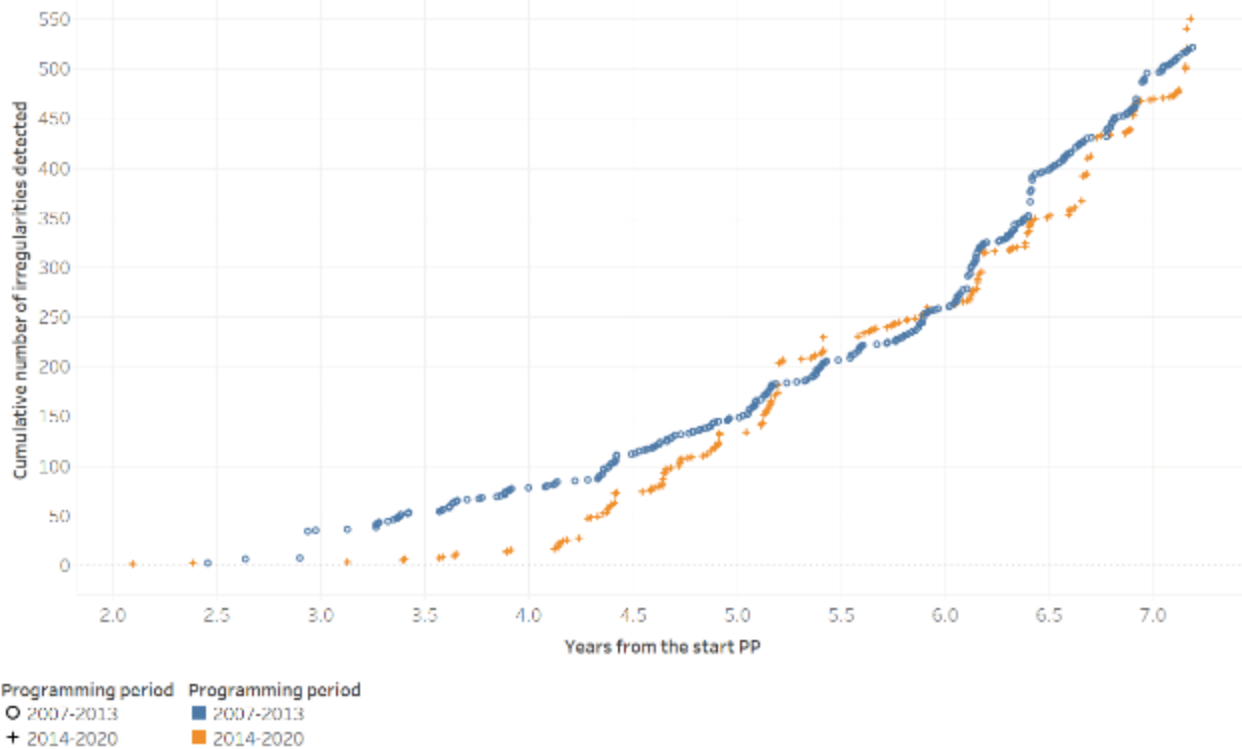
<sup>91</sup> For PP 2014-2020, irregularities are considered if they were reported before 8 March 2021, which is the date when data was extracted from the irregularities management system (IMS) for this analysis. This does not include irregularities referring to the year 2021. For PP 2007-2013, irregularities reported before 8 March 2014 are considered, in order to improve comparability. This does not include irregularities referring to the year 2014 or later.

<sup>92</sup> For example, it is possible that data related to PP 2014-2020 now includes a number of irregularities that in the following years will be cancelled (as investigations may ascertain that no irregularity was committed). Irregularities related to PP 2007-2013 have already undergone this process, as 10-14 years have passed from their initial reporting. The same applies to the classification as fraudulent or non-fraudulent, etc.

Graph CP1: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities reported as fraudulent (€U27)



Graph CP2: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities reported as fraudulent (€U27) - Zoom on the first years of the programming period



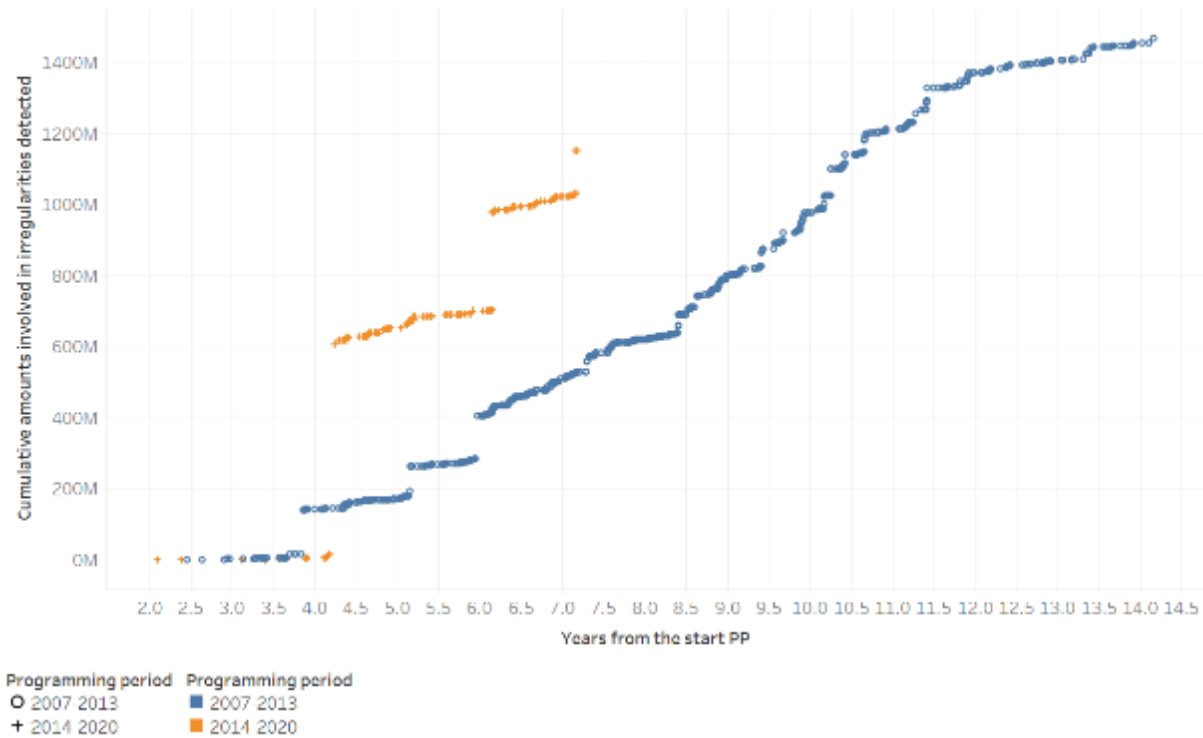
As shown by Graphs CP1 and CP2, **the number of irregularities reported as fraudulent was similar for PP 2014-2020 and PP 2007-2013**, after a comparable period from the start of the programming periods. There was a slower start of reporting for the current programming period, but, during the fifth year of implementation, there was a strong acceleration that filled the gap. The comparison is more difficult for financial amounts (see



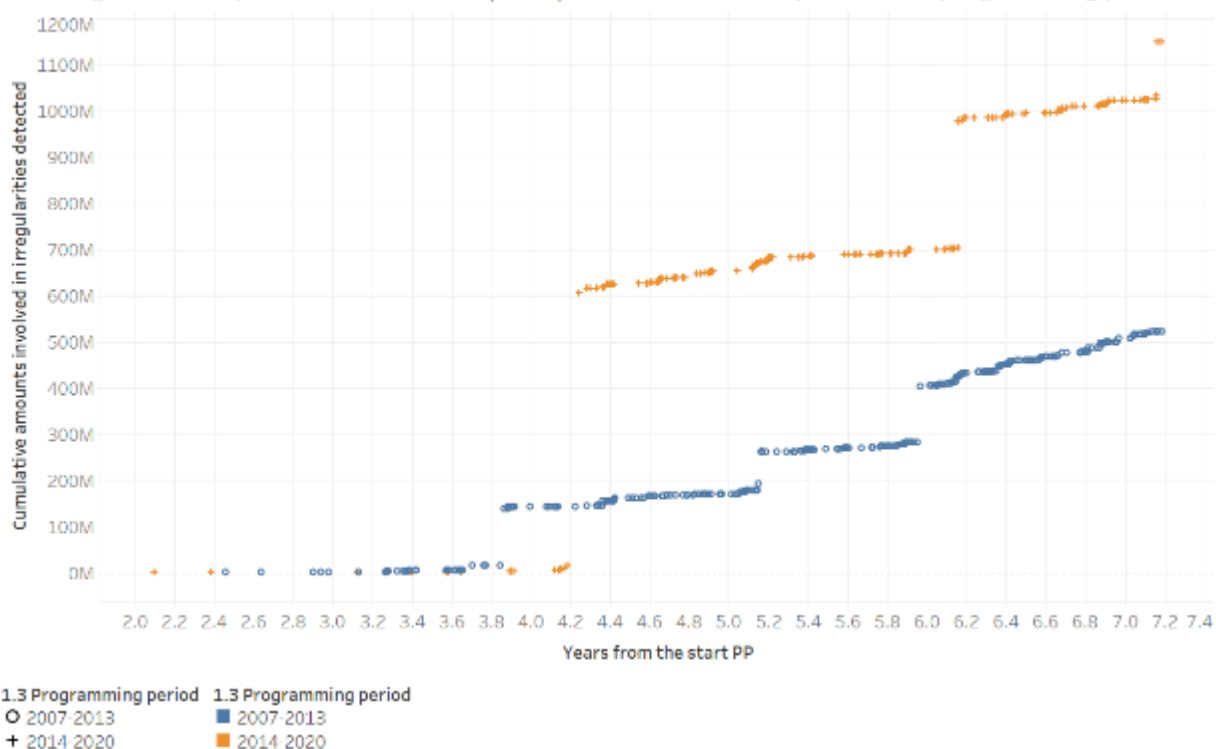
Graphs CP3 and CP4). The financial amounts reported for PP 2014-2020 were much higher than for the previous programming period, because there were two noticeable jumps at the beginning of the fifth and seventh years of implementation. The first upswing was due to the **two cases Slovakia reported for the ERDF, which totalled about EUR 590 million**. The second jump was due to **one case Slovakia reported for the CF, accounting for more than EUR 270 million** (see Section 4.2.1.1).

However, **PP 2007-2013 experienced similar – but smaller - shifts**, because, at the end of the fourth and sixth years of implementation, two cases were reported, each accounting for about EUR 120 million. In addition, at the beginning of the sixth year, an irregularity accounting for about EUR 33 million was reported. Taking these outliers out of the analysis, **the financial amounts involved in the fraudulent irregularities reported for PP 2014-2020 were aligned with those reported for PP 2007-2013 during the same period after the start of the programming period.**

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



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



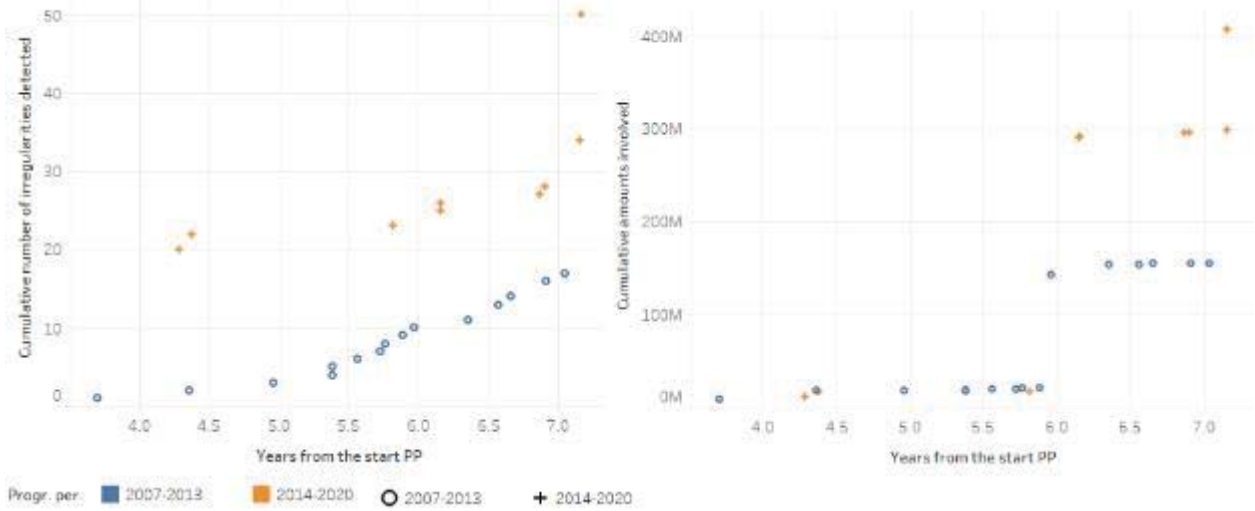
This was the outcome of **different patterns followed by different Funds**.

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

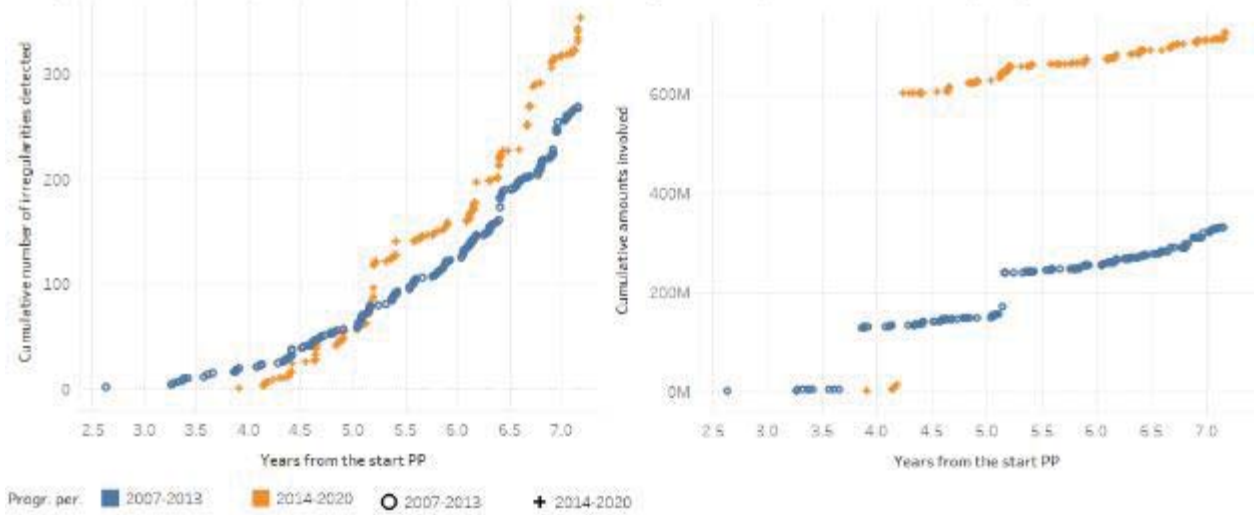
**For the ESF and the Fisheries Funds, the detection and reporting of fraudulent irregularities was lower than before** (see Graphs CP7 and CP8). ESF-related irregularities were lagging behind by a rather stable number of cases until the end of the sixth year. Then the gap widened due to an increase in irregularities for PP 2007-2013. This gap was mainly due to the decrease recorded in Germany, which was influenced by reporting practices<sup>93</sup>, and Romania. Also, the cumulated financial amounts associated with the ESF-related fraudulent irregularities for PP 2014-2020 were considerably lower than the amounts for PP 2007-2013, due to a strong increase during the seventh year of implementation of PP 2007-2013.

<sup>93</sup> The high number of detections Germany reported towards the end of the third year of implementation of PP 2007-2013 (year 2009) was largely due to the separate reporting of many interlinked cases, each involving less than EUR 10 000. This increased the number of cases for PP 2007-2013 and consequently the drop between PP 2007-2013 and 2014-2020.

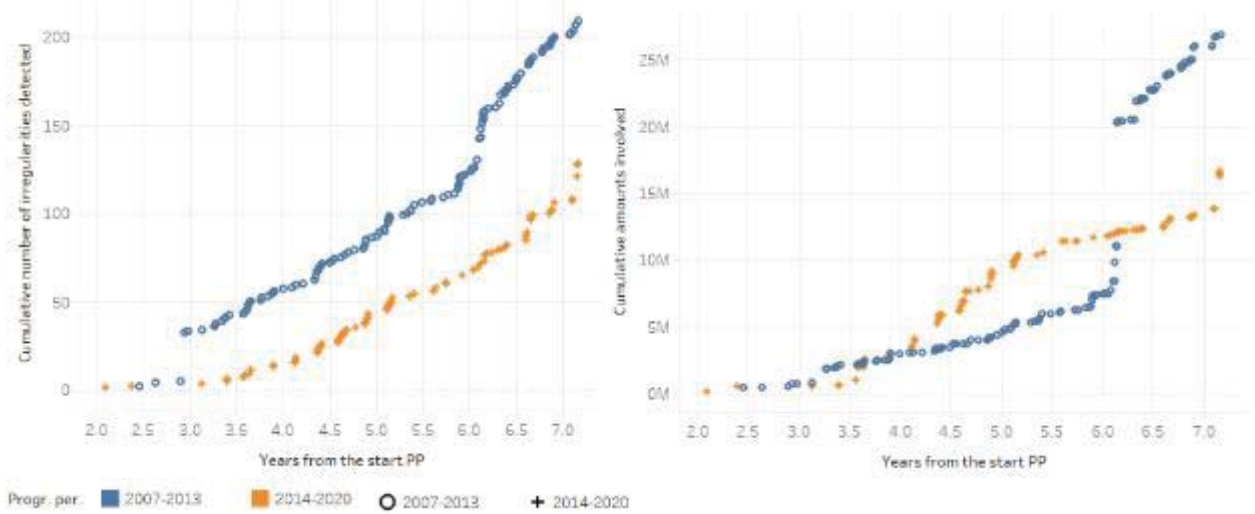
Graph CP5: CF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)



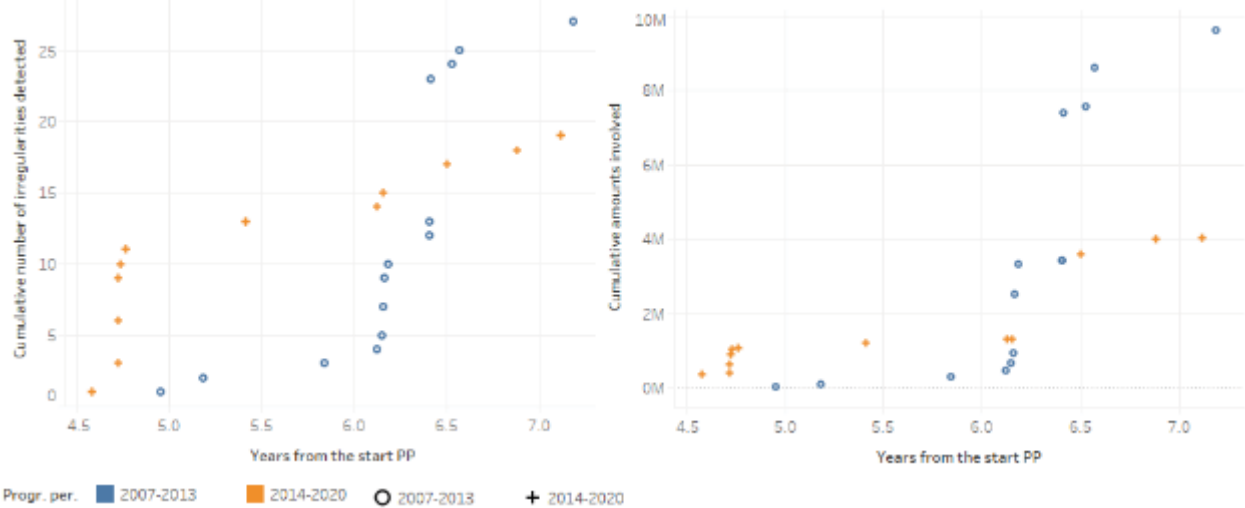
Graph CP6: ERDF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)



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

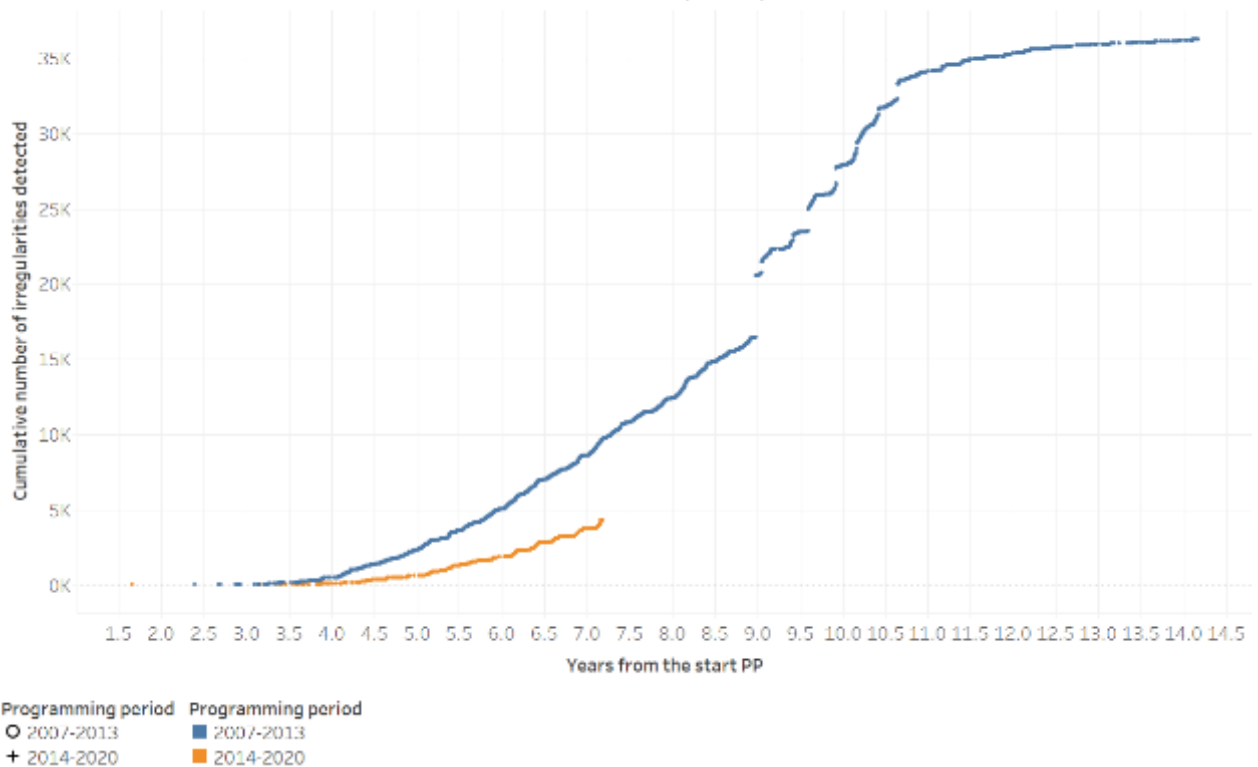


Graph CP8: EFF/EMFF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities reported as fraudulent (EU27)

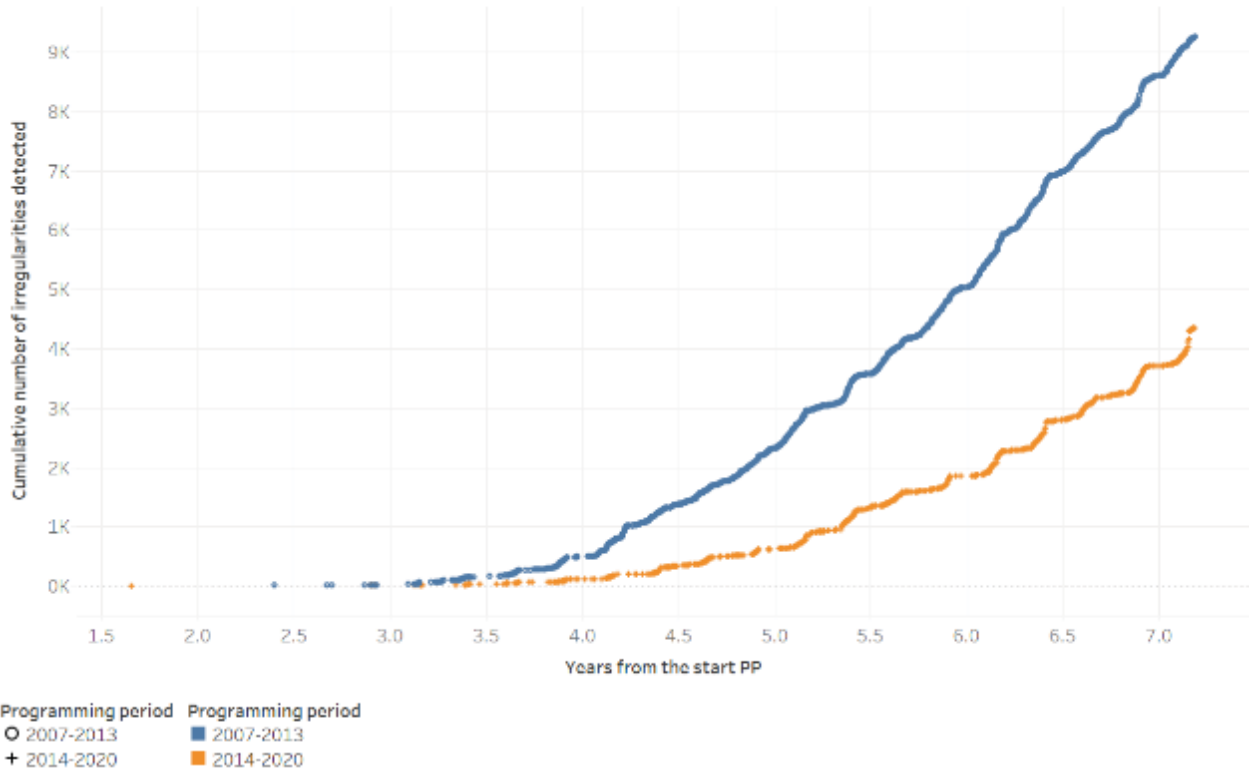


Focusing instead on the **non-fraudulent irregularities**, the fall in the number of cases and the financial amounts reported after 7 years from the start of the programming period is striking (see Graphs CP9-CP12). This significant difference between these two programming periods warrants further analysis.

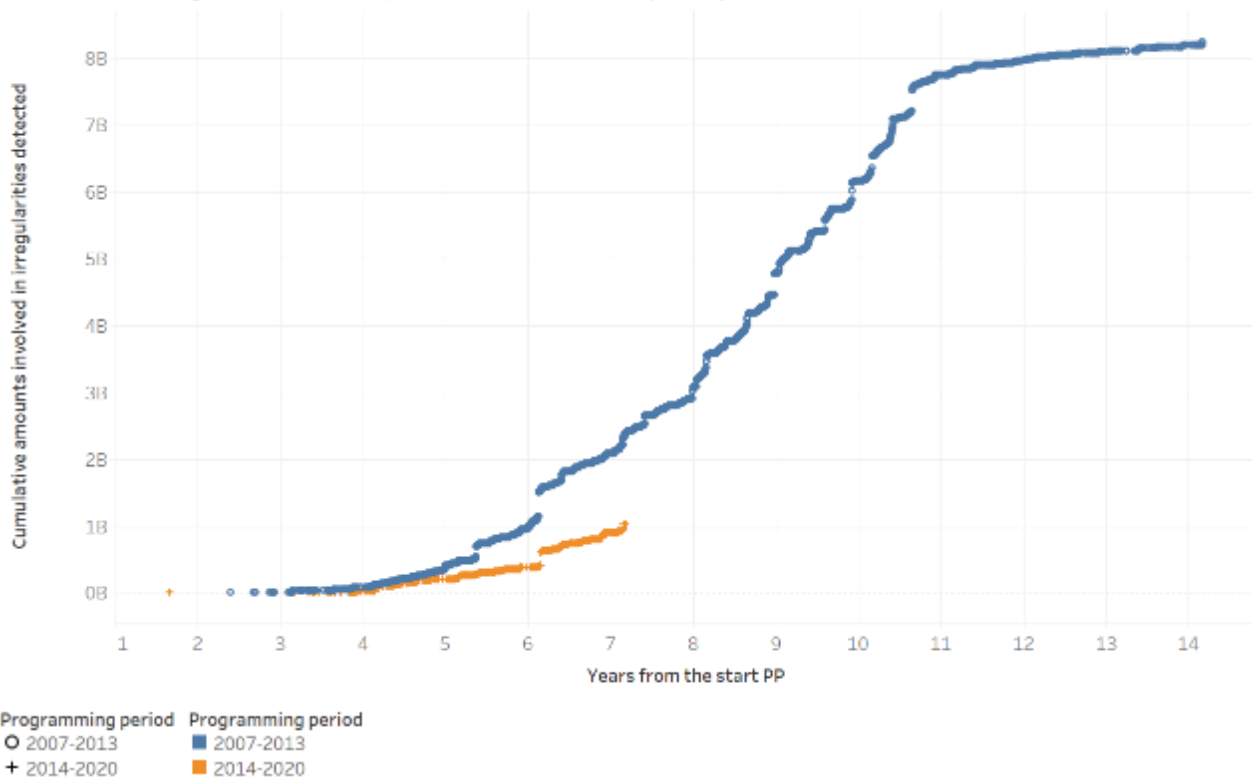
Graph CP9: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities not reported as fraudulent (EU27)



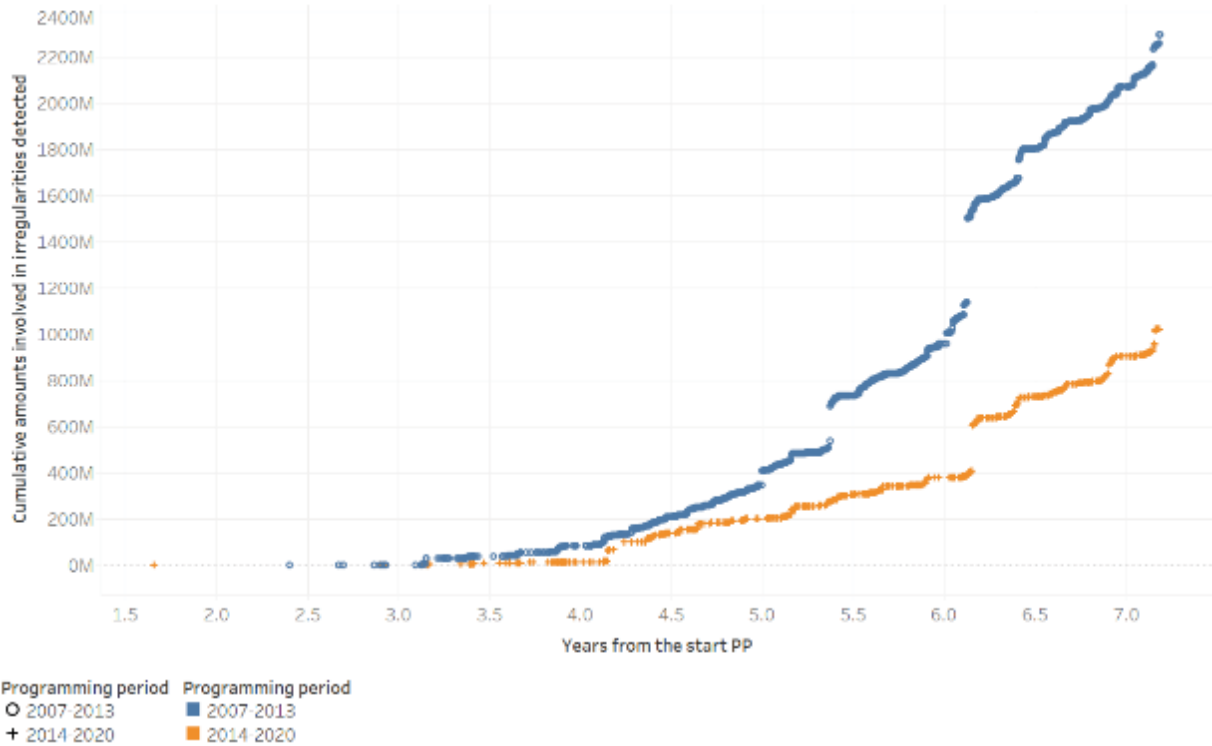
Graph CP10: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative number of irregularities not reported as fraudulent (EU27) - Zoom on first years of the programming periods



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



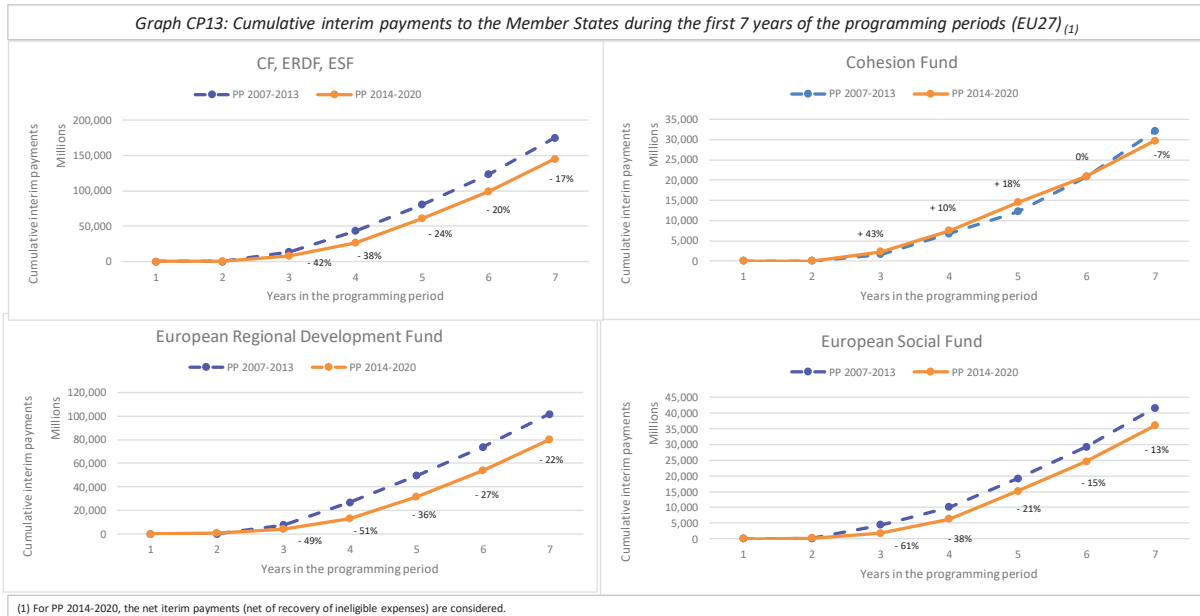
Graph CP12: Comparison between detection for PP 2007-2013 and PP 2014-2020 - Cumulative amounts in irregularities not reported as fraudulent (EU27) - Zoom on the first years of the PPs



The number of irregularities not reported as fraudulent (and the related amounts) can be influenced by the state of implementation of the programming period. An indicator to gauge this state of implementation may be the interim payments that have been made to the Member States, as these payments should reflect the progression of eligible expenditure<sup>94</sup>. Graph CP13, which covers the CF, the ERDF and the ESF, shows this, given that these three Funds account for most of the financial resources. During the first 7 years from the start of PP 2014-2020 (from 2014 to 2020), the Member States have received fewer interim payments than during the first 7 years from the start of PP 2007-2013 (from 2007 to 2013). At the end of 2020, this (cumulative) gap still amounted to about -17% and it had been higher before (see Graph CP13). However, at least part of this gap could simply be due to the fact that interim payments are limited to 90% of eligible expenditure and the remaining 10 % is released after the yearly examination and acceptance of the accounts. As such, this would not reflect delayed implementation<sup>95</sup>. Overall, **these findings suggest that the dynamics of the gap in interim payments might explain some of the difference in the number of non-fraudulent irregularities, but certainly not all of it** (as the total difference in detection is about -50% - see Table CP8 and Graph CP10).

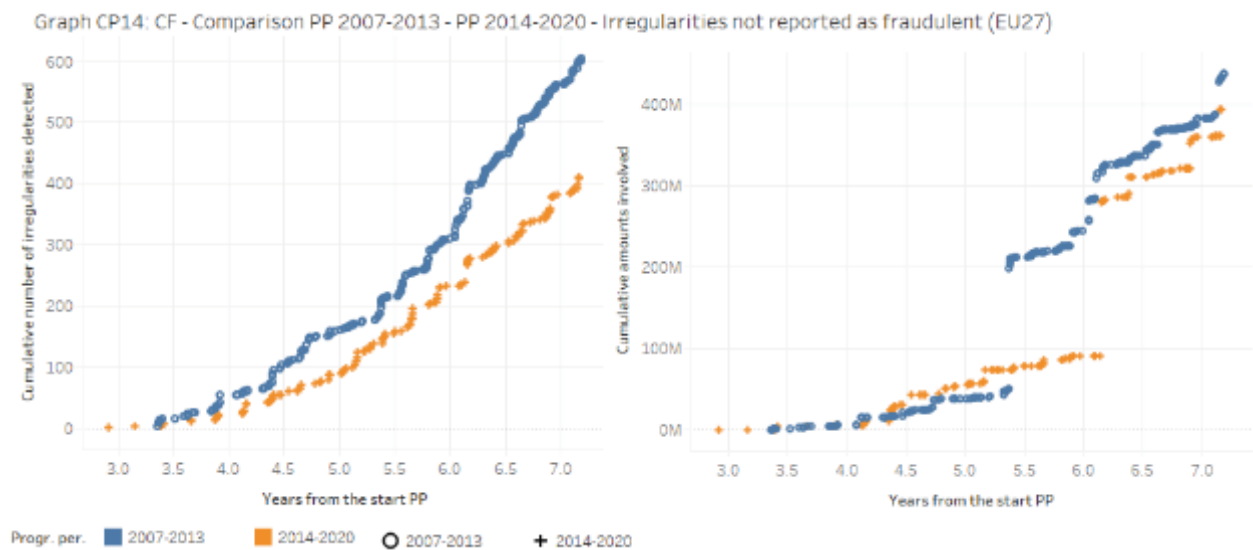
<sup>94</sup> It should be noted that PP 2014-2020 brought in an ‘annual accounts’ system. The accounting year starts on 1 July and ends on 30 June (except for the first accounting period). This might have changed the time gap between the actual occurrence of expenses and interim payments by the Commission. If the gap increased, at least part of the difference in trends in interim payments for the two programming periods may be due to the difference in the reimbursement mechanisms rather than actual delays in implementation.

<sup>95</sup> As mentioned, PP 2014-2020 brought in an ‘annual accounts’ system. In this new framework, reimbursement of interim payments is limited to 90 % of the amount resulting from applying the relevant co-financing rate to the expenditure declared in the payment request. However, the remaining 10 % is released after the yearly examination and acceptance of the accounts. If this 10% is not attributed to the same year of the declaration of expenditure, it generates a slower pace of interim payments, which is not the result of a slower implementation of the programme.



A closer look at Graph CP10 reveals that the gap is due to a sudden acceleration in the number of irregularities related to PP 2007-2013, which started during the fifth year of the programming period (2011). This can be seen by comparing the slopes of the curves representing the cumulative number of irregularities related to the two programming periods in Graph 10. During the sixth year, the slope of the PP 2014-2020 curve slightly increased but remained less than the slope of the PP 2007-2013.

In Graphs CP14-CP17, the irregularities not reported as fraudulent are presented by Fund. **The widest gap is recorded for the ERDF (-55%).** Also for the CF and the ESF, there were significant gaps with respect to PP 2007-2013, even if they were not as wide as for the ERDF (-32% for the CF, -42% for the ESF). For the CF, the financial amounts reported in relation to PP 2014-2020 were not far from those related to PP 2007-2013. For the ESF, the negative gap started to widen towards the end of the fifth year of implementation, both in terms of number and financial amounts. For the Fisheries Funds, the gap in terms of numbers was even higher than that of the ERDF (-59%), but this was based on far fewer cases. The curves of the financial amounts overlap until the end of the sixth year, before diverging due to a sudden upswing of the financial amounts related to PP 2007-2013.

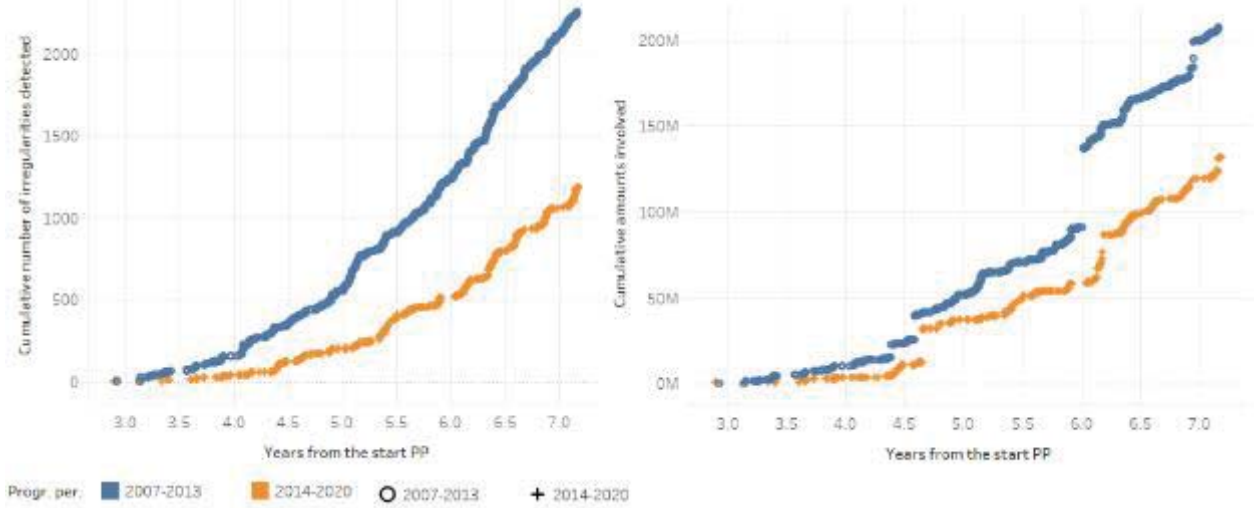




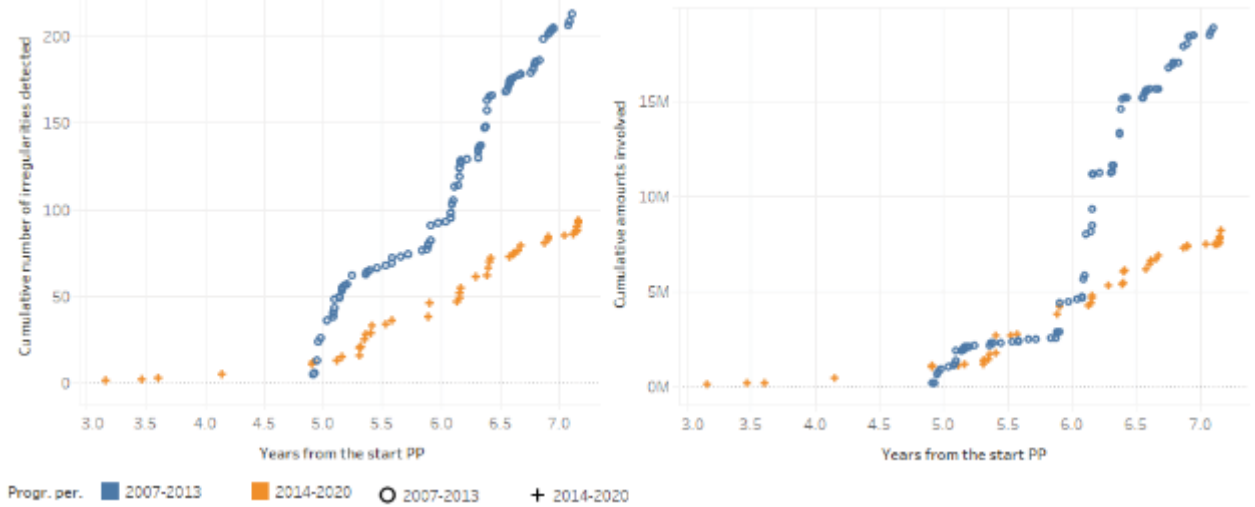
Graph CP15: ERDF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities not reported as fraudulent (EU27)



Graph CP16: ESF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities not reported as fraudulent (EU27)



Graph CP17: EFF/EMFF - Comparison PP 2007-2013 - PP 2014-2020 - Irregularities not reported as fraudulent (EU27)

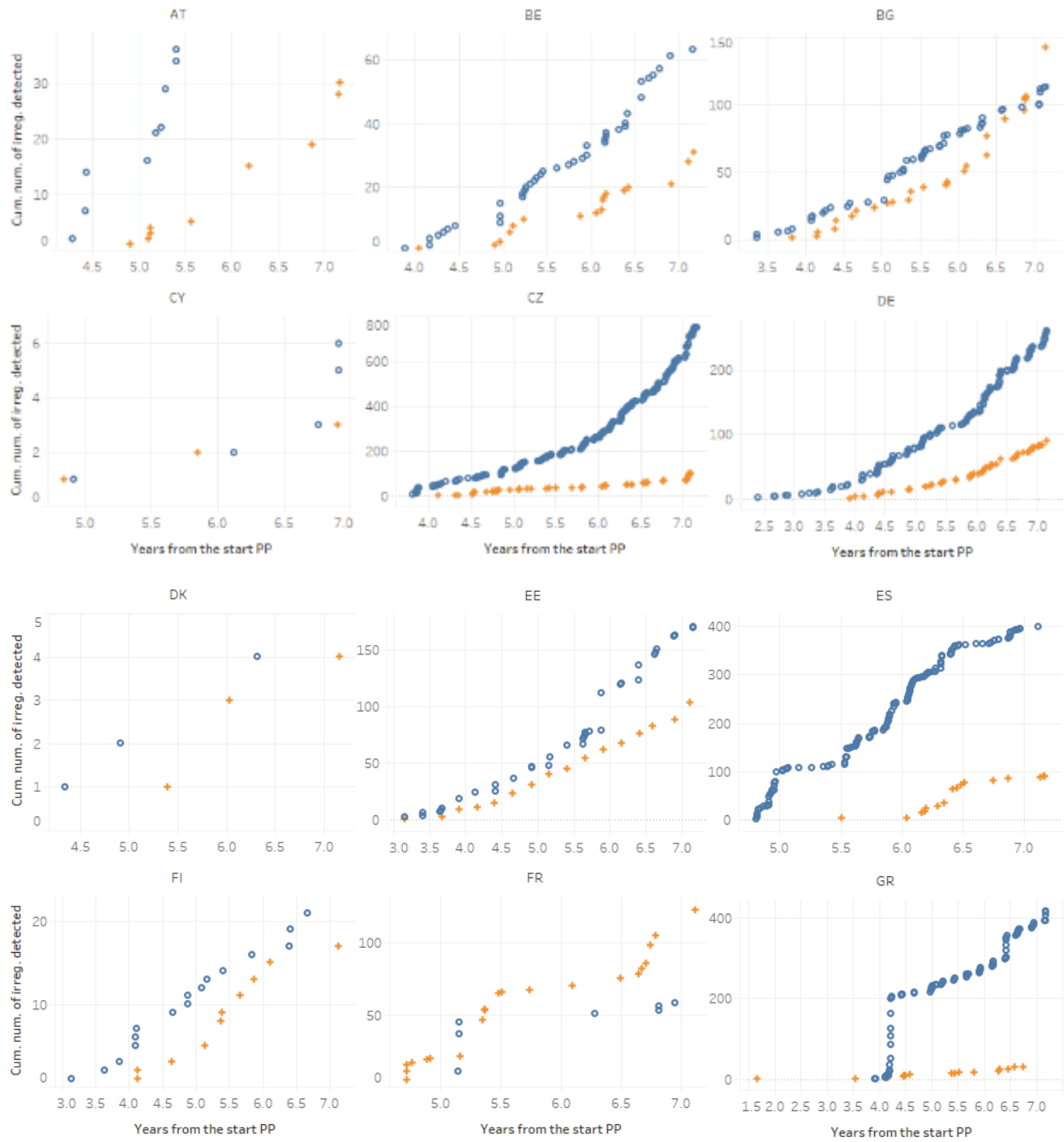


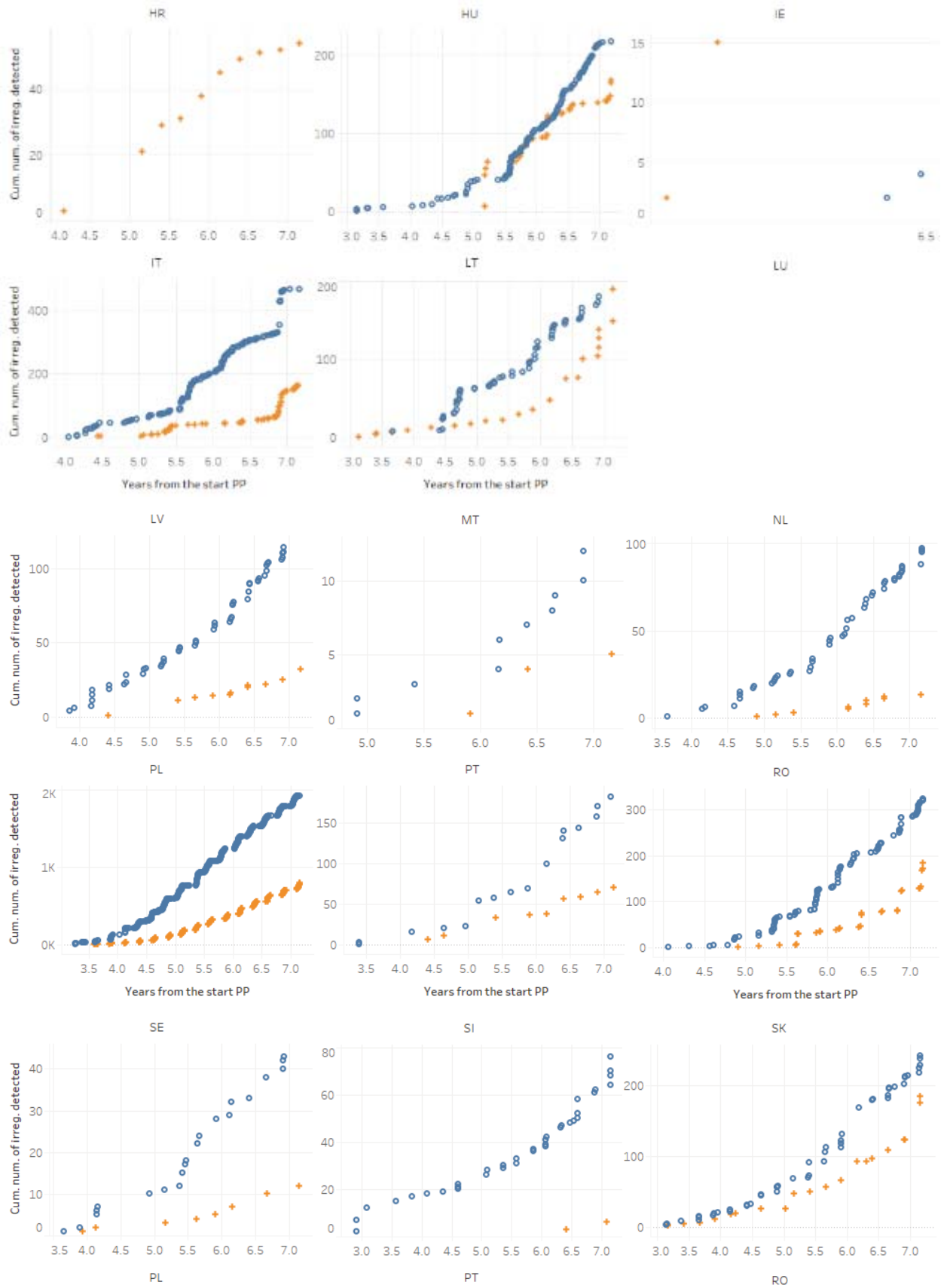
Given that ERDF showed the widest gap between PP 2007-2013 and PP 2014-2020, Graph CP18 shows the comparison, Member State by Member State, in terms of number of

irregularities not reported as fraudulent, with specific reference to this Fund. Graph CP19 focuses on the irregular financial amounts.

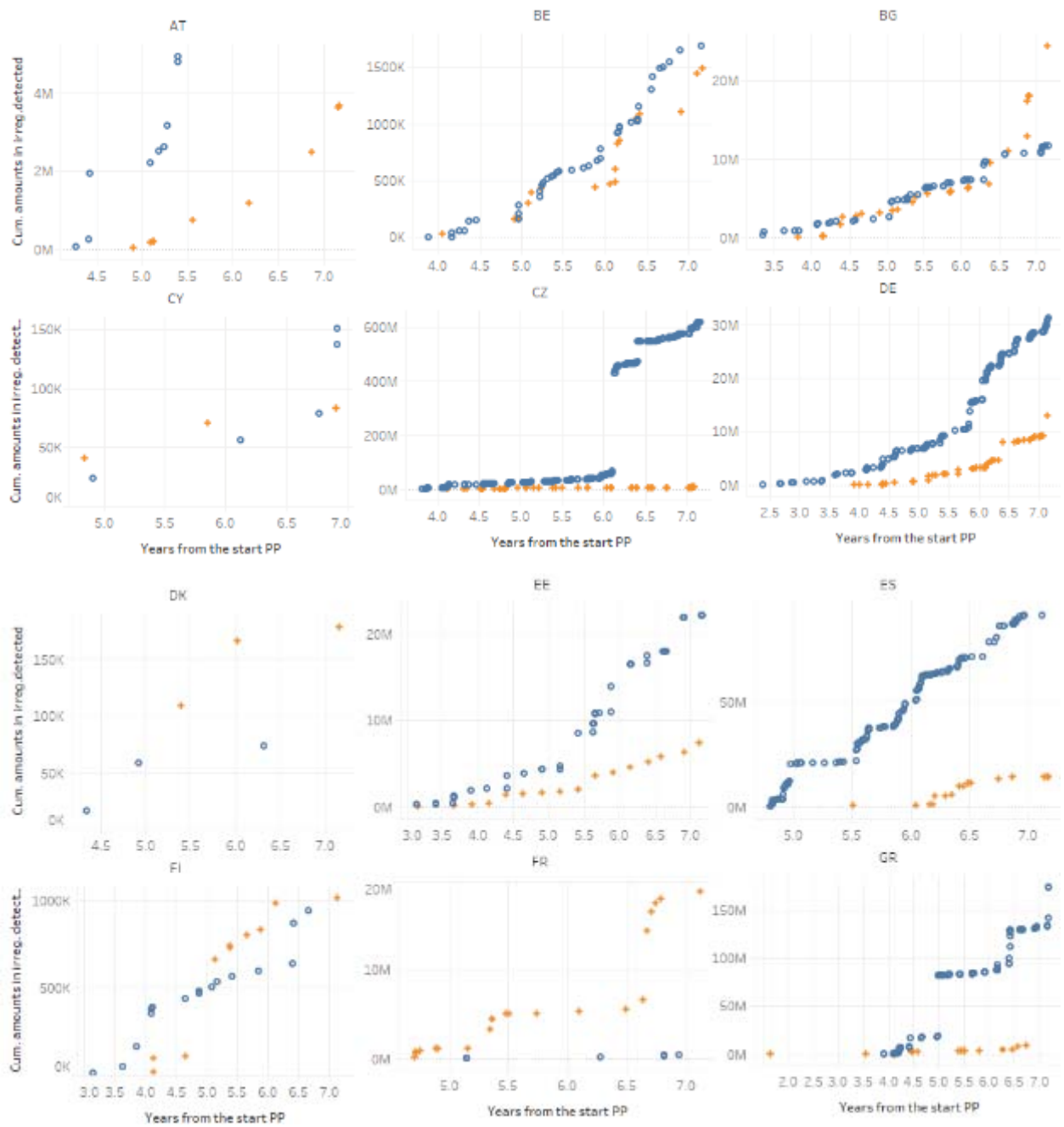
**For the majority of Member States, the numbers of non-fraudulent irregularities related to the two programming periods have been on persistently diverging paths** (see Graph CP18). There are a few exceptions, such as Bulgaria, France, Croatia, Lithuania and Slovakia. **Further analysis by the Member States' competent authorities is warranted to understand the reasons for this drop and to rule out the possibility that this is due to less focus on detecting irregularities.** This applies also to the trends for the other Funds.

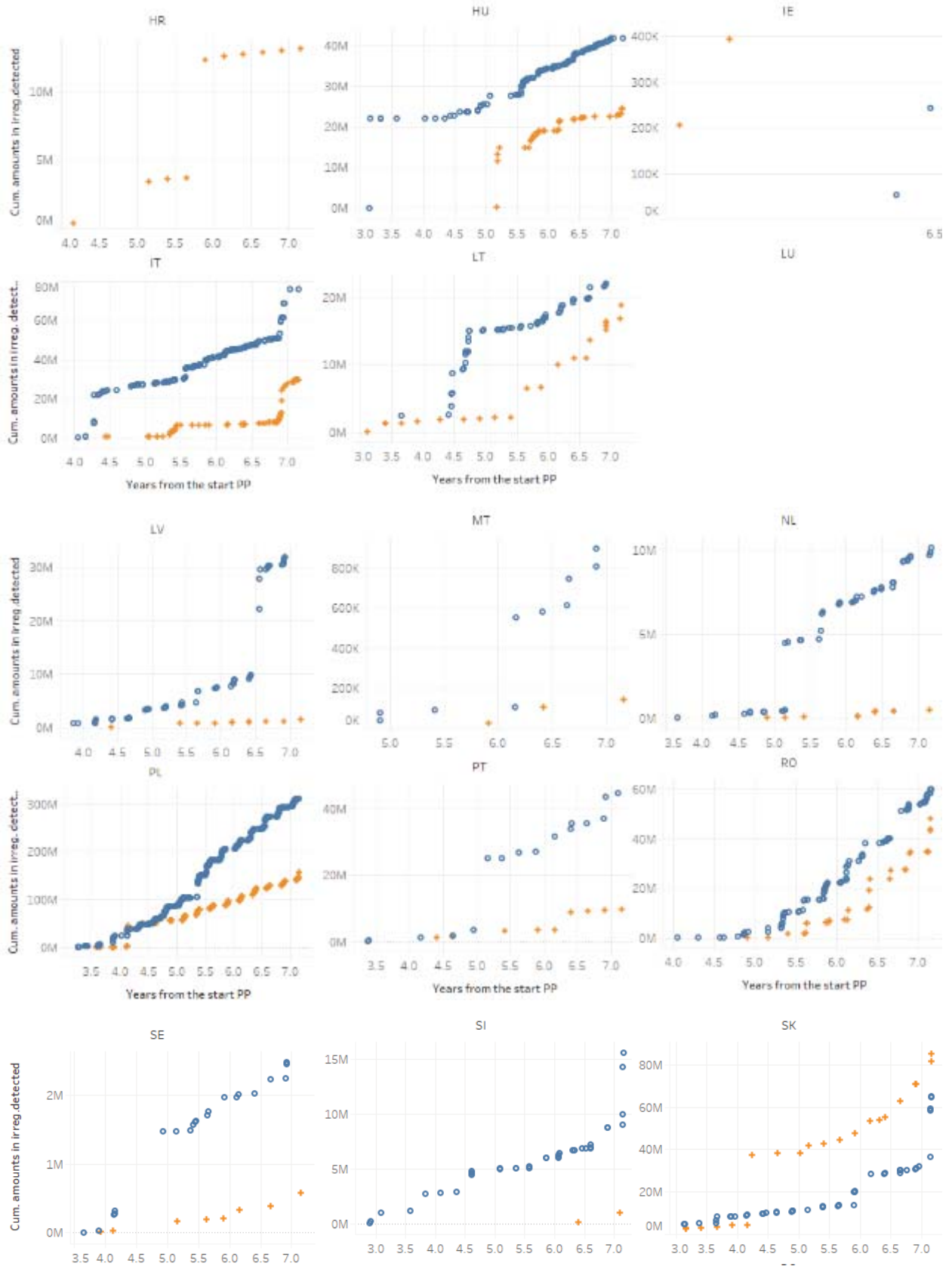
Graph CP18: Comparison PP 2007-2013 - PP 2014-2020 by Member State: ERDF - Irregularities not reported as fraudulent





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





For all the Funds, **the competent national authorities can build on this analysis, to understand the causes of these trends in the different Member States.** If they are due to different management and control systems, rules or prevention activities in comparison to the previous programming period, the Member States need to identify what measures brought

about these huge changes. **If the difference in trends between the two programming periods is due to less enforcement or to reporting issues, the Member States need to act upon these shortcomings in a timely manner.**

In general, rules on **thematic concentration**<sup>96</sup> might have led to more effective spending. Focusing more on the management side, the 2007-2013 national strategic reference frameworks (NSRF) have been replaced by the 2014-2020 partnership agreements. These agreements must present an **assessment of the administrative capacities of the authorities involved in implementing the ESI Funds** together with – where relevant – a summary of actions to improve these capacities<sup>97</sup>. Last but not least, the legal framework for PP 2014-2020 requires the managing authorities to adopt **effective and proportionate anti-fraud measures that take into account the risks identified**<sup>98</sup>.

**For PP 2014-2020, the possibility to use simplified cost options (SCOs) has been extended, but the impact depends on the extent to which implementing partners used this possibility.** For PP 2007-2013, about 7% of the declared ESF expenditure was under SCOs, differing widely from one Member State to another. According to estimates made in 2016 and 2018, for PP 2014-2020, this percentage was expected to rise to 33-35% for the ESF by the end of the programming period. However, the expectation concerning the percentage of the ERDF-CF budget covered by SCOs was much lower, at 4%. Strong differences between Member States were expected<sup>99</sup>. Consequently, for the ESF, the increase in the percentage of expenditure covered by SCOs (from 7% to 33%) together with some implementation delays (still 13% at the end of 2020, as measured through interim payments) may have been factors contributing to the drop in non-fraudulent irregularities (decrease by 42%). However, the situation should be closely monitored, also because (i) any possible effect of delayed implementation will fade; (ii) it is not clear whether the increased use of SCOs will actually materialise; (iii) it is not clear to what extent the increased use of SCOs will concern projects that are more relevant for irregularity reporting<sup>100</sup>; and (iv) it is not clear

<sup>96</sup> Obligation for Member States to concentrate support on interventions that do the most to achieve the goals of the Europe 2020 strategy. A key focus is concentrating ERDF and ESF financial allocations on a limited set of thematic objectives or investment priorities.

<sup>97</sup> In 2009, there was also a relevant change in the reporting regulation. Commission Regulation n. 846 of 1 September 2009 changed the derogation to reporting for irregularities detected and corrected by the managing authority or certifying authority. Before the change, detection and correction should have taken place 'before any payment to the beneficiary of the public contribution and before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission'. With the change, the derogation has been broadened, as it is enough that detection and correction took place 'before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission'. It could be argued that this helped to lower the number of reported non-fraudulent irregularities from PP 2007-2013 to PP 2014-2020. However, this is not the case, because most of the irregularities related to PP 2007-2013 were reported - and the gap between the two programming periods increased - after the change in the derogation.

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

<sup>99</sup> '*Simplified Cost Options in the European Social Fund - Promoting simplification and result-orientation*': working document prepared by the European Commission Services, December 2016

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

<sup>100</sup> The Member States are only obliged to report irregularities with a financial amount over EUR 10 000. As SCOs tend to be used more for smaller projects, this may undermine the argument that SCOs were responsible for the drop of reported irregularities. The more this increase from 7% to 33% is concentrated in smaller projects, the less it is likely to have an impact on irregularity reporting, which concerns irregular financial amounts above EUR 10 000.



when, during the programming period, adopting more SCOs can have a greater impact on patterns of irregularities. In addition, the fact that the number of irregularities dropped even more for the ERDF, where the adoption of SCOs was very low, may point to other factors, which could also apply to the ESF.

**As from PP 2014-2020, the Member States prepare accounts and then the Commission examines and accepts them each year (instead of at the closure of the programming period only)**<sup>101</sup>. This might have helped to tighten up internal control at Member State level. In this framework, Member States may have an increased tendency to exclude from the annual accounts any expenditures where they have doubts about the legality and regularity. Such expenditures can be included in an application for interim payment relating to subsequent accounting years, while being automatically recovered by the Commission during the current year (without this constituting a financial correction and without it reducing support from the Fund to the relevant operational programme)<sup>102</sup>.

These are just a few possible examples of factors that might potentially influence the number of irregularities, but **the actual relevance and impact of these and other changes in the different Member States should be properly evaluated by the national competent authorities**.

The irregularity types detected and most reported by the Member States can shed further light on differences between PP 2007-2013 and PP 2014-2020. Changes in the legal framework and implementation context, including anti-fraud systems, may be reflected in the type of irregularities detected in the Member States.

The following tables provide an overview of the irregularities reported as fraudulent (Table CP9) and not reported as fraudulent (Table CP10) by the Member States in relation to PP 2007-2013 and PP 2014-2020. Like above, only the irregularities that had been reported after a comparable amount of time from the start of the programming period 2007-2013 are considered. See Annex 13 for the specific types of violations (IMS codes) that are included in the categories mentioned in Tables CP9 and CP 10.

---

<sup>101</sup> The accounting year starts on 1 July and ends on 30 June (except for the first accounting period). The certifying authority prepares the annual accounts for the operational programme. These accounts are then submitted to the Commission together with the management declaration of assurance, the annual summary of controls prepared by the managing authority, and the accompanying control report and audit opinion prepared by the audit authority. The Commission examines these documents, before issuing a yearly declaration of assurance.

<sup>102</sup> It is of crucial importance to understand whether irregularities, which were ascertained after these expenditures had been excluded from the annual accounts, are treated by the competent national authorities in line with relevant rules, including in terms of communicating these irregularities through the IMS.

Table CP9: PP 2014-20 - Categories of irregularity related to irregularities reported as fraudulent - Comparison with PP 2007-2013 (Cohesion policy - EU27)

Categories of irregularities	Programming period			
	2014-2020		2007-2013	
	Total	Amounts involved	Total	Amounts involved
	N	EUR	N	EUR
Incorrect, missing, false or falsified supporting documents	241	95,375,012	211	72,490,127
Infringement of public procurement rules	81	304,155,506	62	109,167,713
Infringement of contract provisions/rules	96	646,682,089	179	61,365,392
Ethics and integrity	25	33,966,996	11	327,803,930
Violations/breaches by the operator	20	5,602,098	20	10,209,484
Product, species and/or land	22	5,231,950	1	43,539
Infringements concerning the request	15	8,296,894	20	7,852,065
Incorrect, absent, falsified accounts	25	4,286,639	40	18,532,774
Eligibility / Legitimacy of expenditure/measure	67	12,088,982	157	48,968,021
Bankruptcy	2	327,059	6	1,280,727
Multiple financing	7	2,339,267	9	797,280
State aid	1	75,327	1	78,357
Other	44	20,792,600	62	24,083,346
blank	24	80,471,737	9	2,412,751
<b>Irregularities reported and related financial amount</b>	<b>531</b>	<b>1,147,045,701</b>	<b>494</b>	<b>513,205,357</b>

Table CP10: PP 2014-20 - Categories of irregularity related to irregularities not reported as fraudulent - Comparison with PP 2007-2013 (Cohesion policy - EU27)

Categories of irregularities	Programming period			
	2014-2020		2007-2013	
	Total	Amounts involved	Total	Amounts involved
	N	EUR	N	EUR
Eligibility / Legitimacy of expenditure/measure	328	55,168,512	3,345	437,350,496
Infringement of public procurement rules	1,676	578,412,960	3,896	1,404,101,582
Infringement of contract provisions/rules	1,016	165,235,992	1,872	734,322,084
Incorrect, missing, false or falsified supporting documents	513	71,203,638	883	485,433,979
Incorrect, absent, falsified accounts	171	24,287,442	293	29,334,032
Infringements concerning the request	92	42,915,571	60	15,255,309
Product, species and/or land	58	6,083,503	7	2,025,727
Violations/breaches by the operator	101	33,364,393	155	93,188,518
Bankruptcy	26	4,461,822	18	4,700,615
Multiple financing	13	508,053	136	86,928,423
Movement	10	277,570	2	673,001
Ethics and integrity	20	4,464,190	5	8,834,152
State aid	29	4,540,035	9	3,349,186
Other	528	100,993,500	701	412,460,434
blank	113	15,336,373	234	38,415,008
<b>Irregularities reported and related financial amount</b>	<b>4,257</b>	<b>1,014,902,375</b>	<b>9,041</b>	<b>2,280,798,724</b>

Both for fraudulent and non-fraudulent irregularities, the number of detections related to non-eligibility and to the implementation of the action strongly declined. **The decrease of eligibility violations could be related to the increasing use of SCOs.** However, if this were actually the case, the more stringent controls on the implementation of the action that should accompany this change could be expected to lead to the detection of more irregularities of this type. **Instead, the infringements of the contract provisions/rules also declined.**

For the **irregularities reported as fraudulent** (Table CP9), there were significant increases in the number of cases of false documents, infringement of public procurement rules and conflict of interest (under '*ethics and integrity*'). For the **irregularities not reported as fraudulent**, Table CP10 shows a widespread and deep decrease for all categories of violations. On the **action's implementation**, the specific type of infringement that decreased the most was '*other*' so it provides no further information. Other specific types that were significantly less reported were, for example, related to '*action not implemented*' and '*failure to respect deadlines*'. Specific types of 'implementation' infringements were also reported more, such as '*infringements with regard to the co-financing system*', '*control not carried out in accordance with the rules*' and '*action not completed*'.

### 4.3. Specific analysis

This section covers the following aspects:

- Detection rates by objective (PP 2007-2013);
- Priorities and themes affected (PP 2014-2020);
- Types of irregularity (PP 2014-2020).

#### 4.3.1. Detection rates by objective

The closure for PP 2007-2013 started in March 2017<sup>103</sup>; this offers an ideal opportunity to present an overview of what occurs during a programming period that has gone through the full implementation cycle. Table CP11 shows the FDR and the IDR per objective.

Table CP11: FDR and IDR by objective

Objective	Irregularities detected and reported PP 2007-2013 / Expenditure PP 2007- 13 (1)			FFL	FAL
	% FDR	% IDR	% Total	%	%
	Convergence (1)	0.5	2.5	3.1	5.5
Competitiveness and employment (1)	0.1	1.8	1.8	3.1	4.4
Territorial cooperation (1)	0.1	0.4	0.5	5.2	17.1
Multiobjective (1)	0.2	2.7	2.9	4.1	8.5
Fisheries (1)	0.6	2.8	3.4	7.0	17.5
<b>Total EU28 (1)</b>	<b>0.4</b>	<b>2.4</b>	<b>2.8</b>	<b>4.9</b>	<b>15.1</b>

(1) Calculations based on the decided amounts

**Detection for different objectives ranged between 0.5% to 3.4%. On average, 5 out of 100 irregularities and 15 out of 100 euro were reported as fraudulent.**

**The highest FDR and IDR are associated with the ‘Fisheries’ objective.** In addition, ‘Fisheries’ recorded the **highest fraud frequency level (FFL) and fraud amount level (FAL)**<sup>104</sup>. Past analysis has shown that, among the priorities absorbing most resources, the priority **‘Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products’ was the riskiest**, with *‘Measures for productive investments in aquaculture’* and *‘Investments in processing and marketing’* as the themes most affected. The priority **‘Technical assistance’ was also particularly vulnerable**, but disparity in detection in different Member States was very high. In general, the priority *‘Measures of common interest’* appeared less exposed, but the specific theme **‘Development of new markets and promotional campaigns’ was vulnerable to fraud.**

The objective **‘Convergence’** ranked second for all indicators. Looking at the overall detection rate (FDR+IDR), **‘Regional competitiveness and employment’** programmes recorded a relatively low level of detection and relatively low incidence of fraud. **‘European Territorial Cooperation’ programmes** showed instead a peculiar behaviour: while detection was the lowest by far, the incidence of fraud was high, especially in terms of FAL.

<sup>103</sup> The deadline for the presentation of the documents for closure was 31 March 2017.

<sup>104</sup> FFL is the ratio between the number of fraudulent irregularities reported during a certain period and the total number of irregularities (fraudulent and non-fraudulent) reported during the same period. FAL is the same ratio, based on the financial amounts involved in the irregularities.

4.3.2. *Priorities concerned by the reported irregularities*

4.3.2.1. *Irregularities reported as fraudulent (fisheries not included)*

The operational programmes financed under the EU cohesion policy are implemented along identified priorities and themes. With the information provided by the Member States, the fraudulent irregularities can be analysed by priority areas.

Table CP12 shows the irregularities reported as fraudulent for PP 2014-2020 by priority area since the beginning of the programming period. The table also compares these irregularities with the situation of PP 2007-2013 when the same amount of time had passed after the start of the programming period. Comparison with the full PP 2007-2013 would be misleading, as projects pertaining to different priorities can have different implementation timelines; this may influence the time when irregularities are more likely to be detected.

Table CP12: PP2014-20 - Irregularities reported as fraudulent by priority - Comparison with PP 2007-2013 (Cohesion policy)

Priority	Programming period			
	2014-2020		2007-2013	
	Total	Amounts involved	Total	Amounts involved
	N	EUR	N	EUR
Research and technological development (R&TD), innovation and entrepreneurship	101	38,733,116	86	53,604,750
Development of endogenous potential	27	595,885,744	0	0
Productive investment	15	5,450,711	0	0
Increasing the adaptability of workers and firms, enterprises and entrepreneurs	78	17,874,268	34	13,919,387
Improving access to employment and sustainability	28	6,187,064	64	4,141,541
Promoting sustainable and quality employment and supporting labour mobility	13	2,010,023	0	0
Investing in education, training and vocational training for skills and lifelong learning	17	1,263,282	1	12,824
Improving human capital	17	3,209,853	29	2,913,479
Energy	66	12,413,162	21	5,438,646
Infrastructure providing basic services and related investment	54	349,747,346	0	0
Investment in social infrastructure	6	719,050	28	8,593,200
Social, health and education infrastructure and related investment	13	10,780,760	0	0
Urban and rural regeneration	2	3,419,354	3	514,582
Promoting social inclusion, combating poverty and any discrimination	29	2,727,765	0	0
Improving the social inclusion of less-favoured persons	15	1,310,701	15	594,482
Environmental protection and risk prevention	13	25,764,172	9	9,402,018
Transport	5	46,086,490	10	156,627,393
Information society	3	2,375,153	10	6,293,087
Culture	2	21,316	2	1,358,631
Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	2	173,789	0	0
Strengthening institutional capacity at national, regional and local level	0	0	5	321,826
Tourism	0	0	15	8,654,560
Technical assistance	0	0	1	23,705
Measures of common interest (fisheries)	2	37,186	0	0
blank	23	20,855,396	161	240,791,246
<b>TOTAL EU27</b>	<b>531</b>	<b>1,147,045,701</b>	<b>494</b>	<b>513,205,357</b>
<b>% of (blank) on total</b>	<b>4.3%</b>		<b>32.6%</b>	

From PP 2007-2013, the number of **cases where the priority was not specified decreased from 33% to 4%**, which was an outstanding improvement in the quality of reporting<sup>105</sup>.

<sup>105</sup> However, this improvement has an impact on the comparison at the level of single priorities as increases in the number of irregularities may have been underpinned by the higher number of irregularities for which the

However, contrary to the Regulations in force for PP 2014-2020, the Member States continued to encode the irregularities in IMS using the (different) priorities that were valid for PP 2007-2013<sup>106</sup>. In Table CP12, the priorities for PP 2014-2020 are reported in white; while the situation has improved in comparison with 2019, **the correct priorities were used in only about 32% of the irregularities.**

**The priority 'RTD, innovation and entrepreneurship' was even more prevalent** for PP 2014-2020 than for PP 2007-2013. Besides the increase in the irregularities encoded with the 'old' RTD priority, several irregularities were reported under the 'new' priority 'Development of endogenous potential', which includes similar projects. The huge financial amounts associated with this 'new' priority are due to the two cases Slovakia reported, accounting for EUR 590 million.

The priority 'Increasing the adaptability of workers and firms, enterprises and entrepreneurs' ranked second, with an increasing number of cases compared to PP 2007-2013. However, the number of irregularities with the priority 'Improving access to employment and sustainably' decreased, including when considered together with the 'new' priority 'Promoting sustainable and quality employment and supporting labour mobility'. It could be argued that the 'new' priority 'Investing in education, training and vocational training for skills and lifelong learning' could also be relevant to this context. From all this, it can be concluded that **fraudulent irregularities related to improving employability increased.**

Irregularities **increased** with 'Energy', infrastructure to provide **basic services to citizens** (such as energy, environment, transport and ICT) and **social, health and education infrastructure**. This was the case also for the priority related to **social inclusion**. The high financial amounts involved in the priority 'Infrastructure to provide basic services to citizens' were mainly due to one EUR 270 million irregularity Slovakia reported. This irregularity was in the transport sector. **The decrease in the number of irregularities and financial amounts in the 'old' priority 'Transport' does not necessarily mean that the impact on this sector decreased**, because projects of this type are now covered by the 'new' priority related to basic services, where the number of irregularities increased.

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

Table CP13 covers the irregularities not reported as fraudulent for PP 2014-2020 by priority area. The table compares this with the situation for PP 2007-2013 when the same amount of time had passed after the start of the programming period.

---

priority has been specified rather than by the higher number of detections. This has an even greater impact on the analysis of the non-fraudulent irregularities (see Section 4.3.2.2.).

<sup>106</sup> The priorities for the PP 2014-2020 are listed in the Commission Implementing Regulations (EU) 184/2014 and 215/2014 and are different from the priorities for PP 2007-2013.

Table CP13: PP2014-20 - Irregularities not reported as fraudulent by priority - Comparison with PP 2007-2013 (Cohesion policy)

Priority	Programming period			
	2014-2020		2007-2013	
	Total	Amounts involved	Total	Amounts involved
	N	EUR	N	EUR
Research and technological development (R&TD), innovation and entrepreneurship	489	116,828,567	1,104	347,598,861
Development of endogenous potential	554	112,764,200	1	28,328
Productive investment	154	29,280,779	9	427,910
Infrastructure providing basic services and related investment	458	353,149,632	9	580,016
Transport	129	84,180,620	722	875,254,547
Urban and rural regeneration	59	7,682,741	308	35,059,219
Social, health and education infrastructure and related investment	341	42,215,688	4	3,559,198
Investment in social infrastructure	119	18,124,726	770	80,804,133
Promoting sustainable and quality employment and supporting labour mobility	169	37,128,900	0	0
Improving access to employment and sustainability	189	21,025,647	271	32,521,289
Increasing the adaptability of workers and firms, enterprises and entrepreneurs	90	4,344,424	318	21,733,926
Investing in education, training and vocational training for skills and lifelong learning	151	9,886,324	67	2,456,614
Improving human capital	93	7,478,819	356	23,383,974
Promoting social inclusion, combating poverty and any discrimination	161	10,874,633	0	0
Improving the social inclusion of less-favoured persons	109	4,838,323	148	6,443,668
Environmental protection and risk prevention	165	19,219,751	665	150,088,923
Energy	141	22,343,095	109	9,712,984
Technical assistance	50	4,637,395	1	29,794
Technical assistance	20	7,794,526	78	8,885,803
Information society	53	6,089,857	244	24,059,086
Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	42	18,886,965	1	82,303
Strengthening institutional capacity at national, regional and local level	15	5,941,751	75	5,061,417
Culture	19	6,399,461	104	15,254,926
Tourism	11	825,270	292	32,586,074
Reduction of additional costs hindering the outermost regions development	1	21,600	12	917,951
Mobilisation for reforms in the fields of employment and inclusion	0	0	16	767,338
Fisheries' policy	45	4,170,507	29	9,597,609
blank	430	58,768,172	3,328	593,902,834
<b>TOTAL EU27</b>	<b>4,257</b>	<b>1,014,902,373</b>	<b>9,041</b>	<b>2,280,798,725</b>
<b>% of (blank) on total</b>	<b>10.1%</b>		<b>36.8%</b>	

The comparison between the two programming periods is particularly difficult because several reasons:

- **PP 2014-2020 and PP 2007-2013 have different priorities;**
- As mentioned in Section 4.3.2.1., contrary to the Regulations in force for PP 2014-2020, the Member States often continued to encode the irregularities in IMS using the priorities that were valid for PP 2007-2013. **The correct priorities were used in only about 49% of irregularities** (improving from 2019, when this percentage was just about 20%);
- Compared to PP 2007-2013, the number of cases where the **priority was not specified for PP 2014-2020 decreased from 37% to 10%**, which was an outstanding improvement in the quality of reporting. However, this improvement has an impact on the comparison between single priorities in different programming periods<sup>107</sup>;
- Overall, the number of irregularities not reported as fraudulent fell, from 9 041 to 4 257.

However, it can be noted that the ‘old’ priority **'RTD, innovation and entrepreneurship'** together with the ‘new’ overlapping priority **'Development of endogenous potential'** were

<sup>107</sup> In relation to the first 7 years of implementation of PP 2007-2013, 3,328 non-fraudulent irregularities were reported without specifying a priority and thus can not be part of this analysis. For PP 2014-2020, this number declined to just 430.



**the most affected by irregularities**, with the second highest financial amounts involved when considered together. It may be argued that also the priority ‘Productive investment’ belongs to this context. Considering all of these priorities together, **there were no significant changes from the previous programming period, despite the huge decline in global numbers.**

The **highest financial amounts** were associated with the ‘new’ priority ‘**Infrastructure providing basic services and related investment**’, in particular the theme ‘**TEN-T motorways and roads — core network**’ (all irregularities reported by Slovakia). However, this increase is counterbalanced by a huge decrease in the financial amounts reported under the ‘old’ priority ‘Transport’.

#### 4.3.2.3. *Irregularities related to investments in health infrastructure*

The focus of this section is on investment in health infrastructures. ‘Health infrastructure’ projects cover the building, renovation and modernisation of healthcare facilities, including the purchase of medical equipment. With the COVID-19 pandemic, EU funding to strengthen national healthcare systems increased and will increase further in the next programming period 2021-2027.

**Past research suggests that fraud and corruption significantly affect expenditure in healthcare.** Worldwide, 10–25% of public procurement spending on health (medical devices and pharmaceuticals) is estimated to be lost to corrupt practices. Organised crime is interested in public spending for the health sector. Single bidding in the procurement of medical equipment often takes place, which might also indicate potential corruption or a lack of competition, including collusion between companies<sup>108</sup>.

Under PP 2007-2013, one of the priorities was ‘Investment in social infrastructure’, which covered education, health, childcare, housing and other social infrastructure. Under PP 2014-2020, the priority ‘Social, health and education infrastructure and related investment’ broadly covers the same type of expenditure. Figures CP1 and CP2 focus on the irregularities reported as fraudulent and non-fraudulent, respectively. The larger the square, the higher the number of detections; the darker the square, the higher the financial amounts involved. **Health infrastructure actions were affected by 18 fraudulent irregularities, involving about EUR 10.5 million and 577 non-fraudulent irregularities, involving about EUR 108 million.** Therefore on average fraudulent irregularities involved about **EUR 580,000** and non-fraudulent irregularities about **EUR 190 000**.

<sup>108</sup> ‘Study on corruption in the Healthcare Sector’, HOME/2011/ISEC/PR/047-A2, developed by Ecorys, EHFCN, October 2013. The study mentions the following source: WHO. Medicines: corruption and pharmaceuticals, Fact Sheet No 335. December 2009. <http://www.who.int/mediacentre/factsheets/fs335/en/index.html> (visited 22 Augustus, 2012).

‘Update Study on corruption in the Healthcare Sector’, written by Ecorys Netherland B.V., September 2017.

‘Making the Case for Open Contracting in Healthcare Procurement’, Transparency International, 2017.

‘Seventh report on economic, social and territorial cohesion’, European Commission, 2017.

‘Single bidding and non-competitive tendering procedures in EU co-funded projects’, M. Fazekas (Central European University and the Government Transparency Institute), 2019.

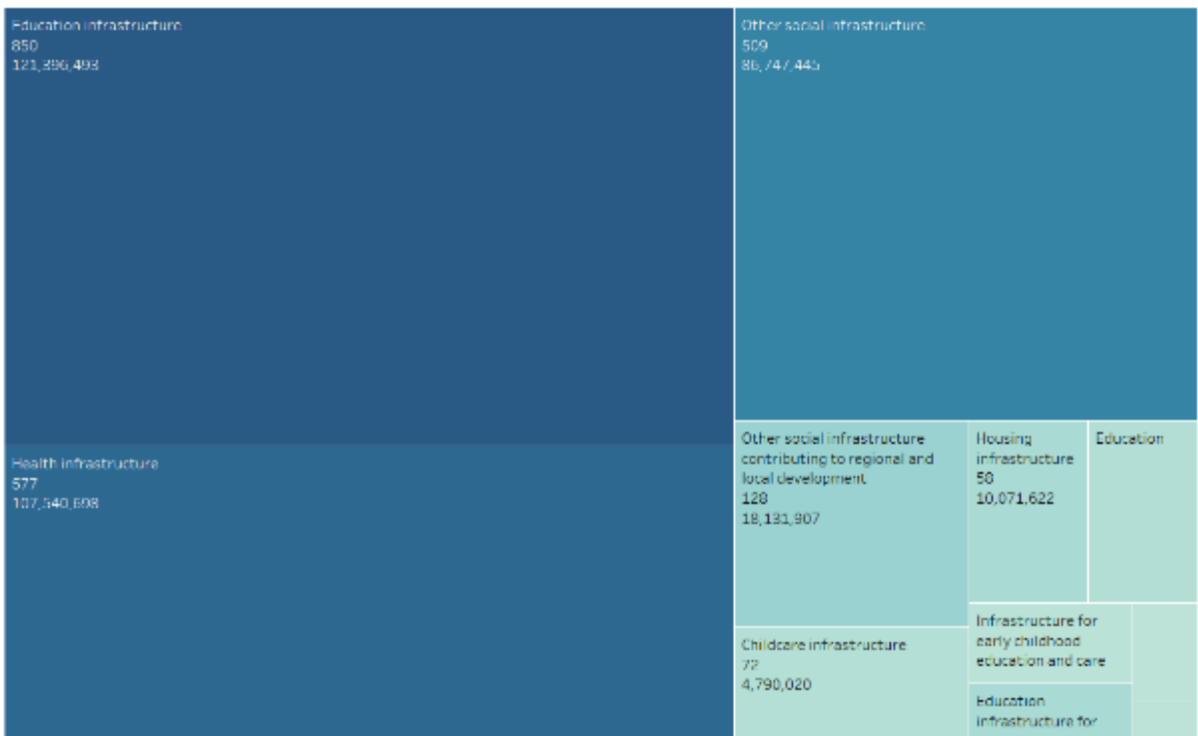
‘How the Mafia infiltrated Italy’s hospitals and laundered the profits globally’, Financial Times, 9 July 2020. See also the report of the Italian Anti-mafia Investigative Directorate ‘Attività svolta e risultati conseguiti dalla Direzione Investigativa Anti-Mafia – Luglio-Dicembre 2019’ and ‘Attività svolta e risultati conseguiti dalla Direzione Investigativa Anti-Mafia – Gennaio-Giugno 2020’.



Figure CP1: Irregularities reported as fraudulent - Priorities 'Investment in social infrastructure' (PP 2007-2013) and 'Social, health and education infrastructure and related investment' (PP 2014-2020) (EU27)



Figure CP2: Irregularities not reported as fraudulent - Priorities 'Investment in social infrastructure' (PP 2007-2013) and 'Social, health and education infrastructure and related investment' (PP 2014-2020) (EU27)



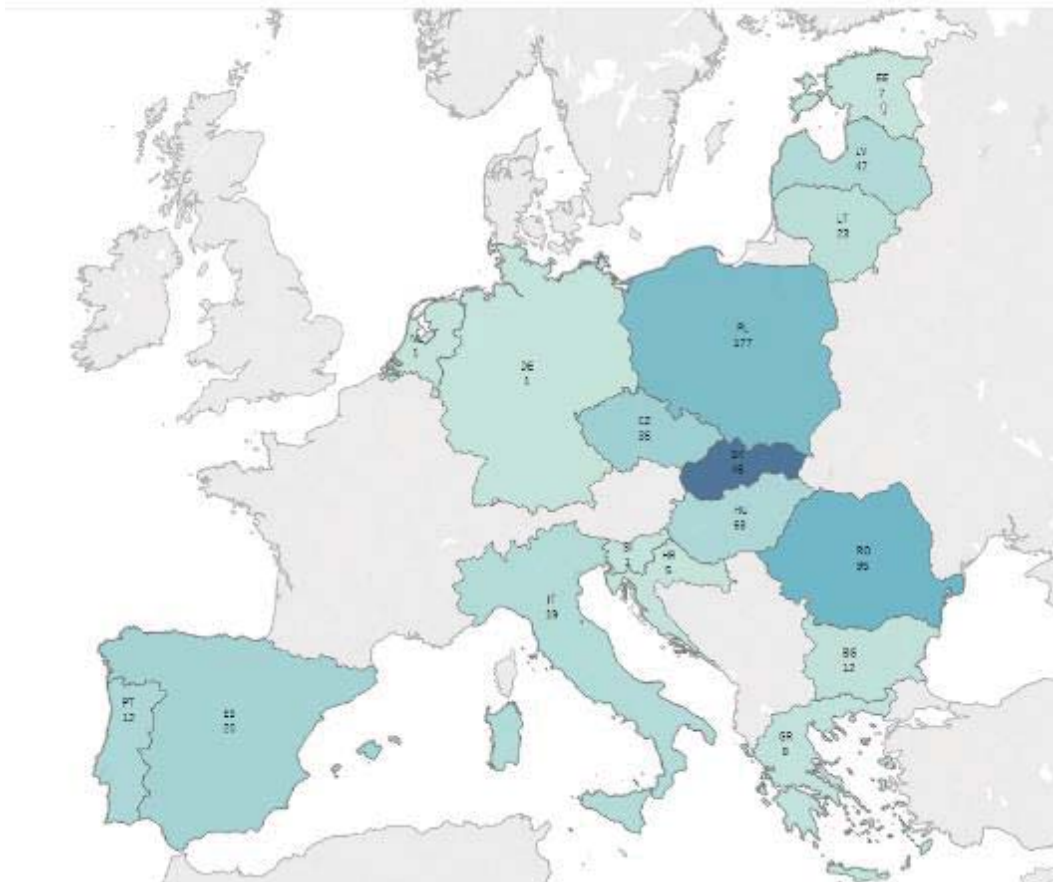
Maps CP1 and CP2 show the number of detections related to 'health infrastructure'. In addition, the darker the Member State in the map, the higher the financial amounts involved. Concerning cases reported as **fraudulent** (Map CP1), the Member States with the highest number of detections and irregular financial amounts were **Slovakia, Romania and Czechia**.

Reporting of **non-fraudulent** irregularities was more widespread, with **Poland** leading in terms of numbers and **Slovakia** in terms of financial amounts.

Map CP1: 'Health infrastructure' (PP 2007-2013 and PP 2014-2020) - Irregularities reported as fraudulent (LU27)



Map CP2: 'Health infrastructure' (PP 2007-2013 and PP 2014-2020) - Irregularities not reported as fraudulent (EU27)



Health infrastructure actions were strongly affected by **violations of public procurement rules**. They concerned 22% and 73% of fraudulent and non-fraudulent irregularities, respectively. Irregularities due to public procurement violations represented an even more significant share in terms of financial amounts: 46% and 76% (fraudulent and non-fraudulent, respectively). **Non-eligibility** was relevant for fraudulent (33%) and non-fraudulent (16%) irregularities. **Infringements of the contract provisions/rules** were reported in 14% of the non-fraudulent cases, but in most cases the nature of the violations was not specified.

Table CP14: Categories of irregularity - Theme 'Health infrastructure' (PP 2007-2013-PP 2014-2020)

Categories of irregularities	Irregularities not reported as fraudulent			Irregularities reported as fraudulent		
	N	EUR	EUR/avg	N	EUR	EUR/avg
Infringement of public procurement rules	420	81,806,212	194,777	4	4,785,151	1,196,288
Eligibility / Legitimacy of expenditure/measure	90	17,399,758	193,331	6	844,523	140,754
Infringement of contract provisions/rules	80	10,087,315	126,091	2	61,981	30,991
Incorrect, missing, false or falsified supporting documents	21	6,475,413	308,353	7	2,059,764	294,252
Incorrect, absent, falsified accounts	6	108,906	18,151	0	0	N/A
Violations/breaches by the operator	3	78,473	26,158	1	2,582,283	2,582,283
Infringements concerning the request	2	211,269	105,635	0	0	N/A
Multiple financing	2	30,197	15,099	1	49,644	49,644
Ethics and integrity	1	173,701	173,701	0	0	N/A
Product, species and/or land	1	11,305	11,305	1	1,484,045	1,484,045
Other	37	6,346,084	171,516	2	303,768	151,884
blank	8	473,645	59,206	0	0	N/A
<b>Total number of irregularities EU 27 <sup>(1)</sup></b>	<b>577</b>	<b>107,540,698</b>	<b>186,379</b>	<b>18</b>	<b>10,431,865</b>	<b>579,548</b>

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

**Based on past experience, it is possible to identify the potential risks to which expenditure in the healthcare sector is exposed.** Learning from past collective experience may help better calibrate management and control systems.

**However, future scenarios have to consider that the COVID-19 crisis increases known risks of irregularities and fraud.** Significant EU spending is likely to cover the sudden need for supplies, services or works during the outbreak or the need to get prepared for new waves of the disease. In general, COVID-19 has led to unforeseeable events and extreme urgency, which may justify procurement through negotiated procedures and, under certain circumstances, even direct award. When emergency can be invoked, it is easier for fraudsters to obtain EU funding. Urgency and less competition facilitate conflict of interest and corruption. In addition, the altered balance between (pressing) demand and offer and the disruption of the supply chains increase the risk of entering into a contractual relationship with unreliable/not sufficiently vetted counterparts. Fake or substandard products may be covered by certificates (attesting the required quality) that are fake, misleading, issued by entities that are not authorised for that.

**Projects to improve the health infrastructure are complex**, requiring the procurement of services, works, and supplies of medical and ordinary equipment. Building on how irregularities affected projects of this type, **a wide range of potential risks can be identified.**

**Wrongdoings that limit competition in the procurement of supplies/works/services** may result in higher prices and/or lower quality/quantity. This may lead to choosing of an inefficient contractor, but may also generate an extra profit for an efficient contractor. This might be intentional and would make room for the payment of the price of corruption/collusion (to the beneficiary, the staff of the contracting authority or other economic operators that cooperated in the formation of the higher price).

**The openness of the procedure may be undermined by irregularities related to the 'how', 'what' or 'timing' of the publication of the contract notice**, which is meant to inform all potential bidders. Contracting authorities may unduly resort to negotiated

procedures without publishing the contract notice, accelerated restricted procedures or even direct awards. This may result from **the estimated value of the contract being undervalued or the contracts being artificially split**. This keeps the single contract below the threshold value that requires a more open procedure.

The number of potential bidders may be unduly reduced through **excessive or discriminatory requirements concerning the potential tenderer**. These requirements may touch upon the economic operator's economic and financial capacity or its knowledge and experience (in particular, previous similar contracts). Contracting authorities may also unduly restrict access to procurement by requesting that national and foreign tenderers provide different documents or that foreign tenderers be established in the country where the contract is to be implemented. Discriminatory requirements may also touch upon cooperation between economic operators, limiting subcontracting and consortium agreements.

Contracting authorities may, in the same contract, unduly group together works, supplies or services that are usually offered by different economic operators (**artificial grouping**). This excludes specialised economic operators from participating in the procedure, giving an undue advantage to fewer operators able to cover all different parts of the contract. In other cases, the procurement procedure may be rightly grouping similar supplies, but **the contracting authority does not allow partial tendering**, which unduly reduces competition. Other malpractices concern technical specifications that are too narrow or unnecessarily referring to certain standards or even to a specific brand, trademark, without explicitly allowing for equivalence. **Discriminatory technical specifications** can concern a wide range of medical equipment, but may also be found in procurement for works. Undue restrictions on the tenderer and on the subject matter of the contract (technical specifications) can reinforce each other.

**Unclear or changing terms and conditions** may make participation more difficult. This may concern the requirements for participation in the procedure, how they are assessed (the documents to show compliance with these conditions), the subject matter of the contract. It may also include unclear, or lack of, indications in the tender documentation on how foreign potential tenderers are supposed to comply or certify compliance with certain qualification requirements, such as registration in national or local trade or professional registers, authorisations from specific national authorities, such as the Ministry of Health, etc. The more unclear the terms and conditions, the more they may require clarifications during the procedure. This creates a 'moving target' setting. It is key that all participants get the same additional information at the same time. Certain clarifications may be so substantial that previous publications of the contract notice would need to be updated and the deadlines for presenting the offers extended. The contracting authority may fail to comply with these obligations.

Non-transparency could be due to **insufficient documentation of the evaluation process and be rooted in vague or irregular award criteria**. Contracts may be awarded to operators that do not meet the qualification criteria. This may also happen in a context where disproportionate requirements have been set, which probably prevented other operators from participating. The contracting authority may also unlawfully change the selection criteria after the tenders are opened. On the other hand, it may be that the exclusion of operators is not justified. The non-respected criteria may also concern the tender rather than the tenderer.

**Competition may be defeated by collusion**. This may include unlawful cooperation between bidders, such as coordination of price quotations, or between bidders and (staff of the) contracting authority. Suspicious similarities in the offers may suggest cooperation between bidders. There may also be cases where the contracting authority sends the invitation

to tender to companies that are owned or managed by the same persons. Tenders may be fraudulently substituted, resulting in higher price of the awarded contract.

**Contracts may be changed after the award.** This alters the ‘value for money’ balance and casts doubts on the previous steps of the procurement procedure. These changes may concern the performance deadline, the scope, the technical content, the price, the experience of the experts or staff involved, the performance guarantee, advance payments. The contract may be different from the tender specifications already at the first signature or may be changed during implementation. If such changes had already been part of the tender specifications, other operators could have made better offers and could have won. Furthermore, these changes can generate additional profits for the economic operator, because of cheaper or fewer materials, less works for the same price or additional supplies or works for a higher price. Existing contracts may be amended or additional contracts may be unduly awarded to the current contractor, directly or after a negotiated procedure without publication.

**Shortcomings in implementation may take various forms. This can have serious consequences for healthcare facilities,** such as hospitals, where, for example, correct isolation and ventilation are key for the safety of patients, personnel and potentially the whole community, as the pandemic has shown. These could be shortcomings with the project for which the beneficiary was awarded EU funding and/or be shortcomings with the contract between the beneficiary and the contractors. If these shortcomings are accepted by the beneficiary, this situation is similar to a change of contract. However, a change of contract during implementation does not free the beneficiary from the commitments it undertook when presenting the project. But the contractor could fail to declare these shortcomings to the the beneficiary or could hide them from the beneficiary just as the beneficiary could do the same with the managing and control bodies. **Documents that do not match with actual implementation on the ground may be used.**

**Irregularities may also be related to expenditure that leads to no improvements in the delivery of health services, fewer improvements than expected or improvements that are not durable.** Beneficiaries might not comply with the commitment to maintain the supported activities during a certain period of time and at a certain level. The beneficiary might not or might seldom use the medical equipment funded by the project. Achieving project objectives may also be undermined by transfers of ownership or use or because the equipment was used, at least partly, for commercial purposes.

Requests for reimbursements may include **costs for ineligible supplies or activities**, such as works or the purchase of goods not in the quantity and not with the characteristics agreed with the approval of the project. The project may cover only new medical equipment, while the actual expenditure may be for ineligible **second-hand equipment** (with an inflated price, as if the equipment were new).

**Excessive prices may be paid for medical equipment.** This may result from deceptive practices by the beneficiary or other parties involved in the procurement procedure, where the bids may just be made to show the price is reasonable. As mentioned, the supply of second-hand rather than new equipment may be part of the fraudulent scheme. Inflated prices may follow discriminatory technical specification that can be satisfied only by one type of medical equipment.

**Double funding may take place** because of the overlapping of EU funds and financing from national or local institutions, but also with other projects funded by the EU. The beneficiary or the contractor may even submit an item of expenditure twice for reimbursement within the same project.



4.4. Reasons for carrying out checks

In the antifraud cycle, the capability of detecting fraud and irregularities is a key feature that helps making the system effective and efficient in protecting the EU budget. In the 2017 PIF Report, an analysis of the reasons for carrying out checks was introduced and led to the **recommendation to take greater advantage of the potential offered by risk analysis**. Furthermore, the report recommended that EU Member States facilitate and assess the **spontaneous reporting** of potential irregularities and strengthen the **protection of whistle-blowers, who** are also a crucial source for **investigative journalism**<sup>109</sup>.

So far, **there has been little improvement on the ground** (see Tables CP15, CP16). The 2017 PIF Report was adopted at the beginning of September 2018, and effectively shifting from reactive to proactive detections based on risk analysis can take time. In addition, non-fraudulent irregularities that are detected and corrected at the national level before the expenditure is included in a statement submitted to the Commission for reimbursement do not have to be reported in the irregularity management system (IMS) (which is the source for this report). Therefore, if risk analysis has a higher impact in detecting these irregularities ‘earlier’, Tables CP15-CP16 would not capture this. On the other hand, this exception does not apply to fraudulent irregularities, which Member States should always report, even if they detect the irregularities before they submit the expenditure to the Commission.

Table CP15 focuses on fraudulent irregularities detected through a check that started because of reasons that can be linked to the recommendations mentioned above. It compares the situation between 2007 and 2017 (before the recommendation) with the situation in 2018-2020 (after the recommendation). On the one hand, **Table CP15 does not show any significant change in the use of risk analysis or in the use of information published by the media**<sup>110</sup>. On the other hand, it shows a noticeable **increase in the share of fraudulent irregularities detected through tips** (from 7% to 21%). Tips from informants, whistle-blowers, etc. helped to detect irregularities especially in Hungary, Czechia, Spain, Poland and Portugal<sup>111</sup>.

Table CP15

Reason for performing control	Irregularities reported as fraudulent - Cohesion policy - Programming periods 2007-2013 and 2014-2020					
	2007-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	19	1.2	43,324,719	8	1.1	2,121,098
Comparison of data	30	1.9	5,054,414	17	2.3	6,916,285
Probability checks	5	0.3	788,247	5	0.7	19,657,157
Statistical analysis						
Tip from informant, whistle-blower etc.	114	7.3	140,408,456	159	21.1	99,644,112
Information published in the media	34	2.2	250,230,986	18	2.4	615,078,688
Total EU27	1,565		1,212,792,126	752		1,380,289,005

As shown by Table CP16, the share of **non-fraudulent** irregularities detected following **risk analysis** (in the strict sense) rose from 1% to 5%. However, about 84% of non-fraudulent irregularities detected through risk analysis in 2018-2020 were reported by **Poland and**

<sup>109</sup> Section 4.3 of the ‘29th Annual Report on the Protection of the EU’s financial interests – Fight against fraud – 2017’, COM(2018)553 final and ‘Statistical evaluation of irregularities reported for 2017: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2018)386 final.

<sup>110</sup> Other reasons that might indicate the use of some forms of risk analysis have also been added to the table (comparison of data, probability checks and statistical analysis).

<sup>111</sup> 89% of the cases detected in 2018-2020 were reported by these Member States. Before the recommendation to improve the use of tips, Spain had not detected any irregularity on the basis of this source and Hungary just a few.

Czechia, which were also among the ‘strong performers’ before the recommendation. The situation was **more stable with the use of tips or information from the media**.

Table CP16

Reason for performing control	Irregularities not reported as fraudulent - Cohesion policy - Programming periods 2007-2013 and 2014-2020					
	2008-2017			2018-2020		
	N.	%	EUR	N.	%	EUR
Risk analysis	362	1.1	67,372,594	295	5.2	37,371,755
Comparison of data	237	0.7	89,078,207	48	0.9	8,597,730
Probability checks	139	0.4	33,023,178	44	0.8	8,781,796
Statistical analysis	99	0.3	13,212,515			
Tip from informant, whistle-blower etc.	398	1.2	59,532,278	99	1.8	20,136,542
Information published in the media	110	0.3	83,231,350	40	0.7	37,736,123
Total EU27	33,970		7,827,244,565	5,628		1,331,193,464

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

Previous sections have examined the trend and main characteristics of the reported irregularities. The present section aims to examine some aspects linked to the anti-fraud and control activities and results of Member States. Four elements are taken into account:

- duration of irregularities (fraudulent and non-fraudulent). No analysis by Member State is presented in this section;
- the number of irregularities reported as fraudulent by each Member State;
- the ratio between the amounts involved in cases reported as fraudulent and the payments that occurred in relation to PP 2014-20 (FDR) and the ratio between the amounts involved in cases not reported as fraudulent and the payments that occurred in relation to PP 2014-20 (IDR);<sup>112</sup>
- the follow-up given to suspected fraud.

##### 4.5.1. Duration of irregularities

With reference to the cohesion and fisheries policies, of the 47 042 irregularities (fraudulent and non-fraudulent) reported by Member States (and the UK) in relation to the PP 2007-13 and PP 2014-2020, 23 769 (**51% of the total**) **had been occurring over a period of time**. For the 2 458 irregularities reported as **fraudulent**, this percentage was higher, at **60%**. The remaining part of the dataset refers to irregularities that consisted of a single act identifiable on a **precise date** (about **25% of the whole dataset and 31% of the fraudulent irregularities**) or for which Member States have not provided any reliable information.<sup>113</sup> The **average duration** of the irregularities that occurred over a period of time was **20 months** (1 month longer than for fraudulent irregularities).

The **average duration of the different phases a case can go through**, from perpetration to case closure, was analysed in detail in the framework of the 2018 PIF Report<sup>114</sup>. This analysis has not been replicated for this annual report. However, it is worth recalling some of the findings for **PP 2007-2013, which has already gone through the full implementation**

<sup>112</sup> The Member States only have the obligation to report irregularities for which payment and inclusion of the expenditure concerned in a statement of expenditure submitted to the European Commission occurred. As a consequence, the IDR focuses on the 'repressive' side of the anti-fraud cycle and does not include the results of 'prevention' activities. This does not apply to the FDR, as fraudulent cases must be reported regardless.

<sup>113</sup> 25% of the whole dataset and 9% of the irregularities reported as fraudulent. This includes cases where start date and end date were not filled in and cases where only the end date was filled in.

<sup>114</sup> 'Report from the Commission to the European Parliament and the Council – 30<sup>th</sup> Annual Report on the Protection of the European Union's Financial Interests – Fight against Fraud – 2018', COM(2019)444



**cycle.** Both for fraudulent and non-fraudulent irregularities, on average, it took nearly **two and a half years to suspect that an irregularity had been or was being perpetrated.** Once the suspicion arose, the **Member State detected the irregularity in less than half a year.** Then the irregularity was **reported to the Commission only 8 months after detection.** The only significant difference between fraudulent and non-fraudulent irregularities was in the average time **from the reporting to the Commission to the case closure,** which was much **longer for the irregularities reported as fraudulent** compared to the non-fraudulent ones. This delay is consistent with the longer duration of criminal proceedings and is also reflected in the **procedures for imposing sanctions or penalties.** They started after a similar time period after detection (8 and 10 months for fraudulent and non-fraudulent irregularities, respectively), but then it took, on average, 1 year to close the procedure in case of a non-fraudulent irregularity and nearly 2 years in case of a fraudulent irregularity. This may be due to overlaps with the criminal procedure.

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

Map CP3 shows the number of irregularities each Member State reported as fraudulent for PP 2014-2020. In Map CP3, the darker the Member State, the higher the number of detections.

In previous PIF reports, maps and tables for PP 2007-2013 were also included. For fraudulent irregularities, the map in the 2019 PIF Report<sup>115</sup> was based on 1 877 cases, while the new map would be based on 1 856 cases. In no Member State does the difference exceed 10 irregularities, with the exception of Slovakia (-13)<sup>116</sup>. For non-fraudulent irregularities, the map in the 2019 PIF Report was based on 36 057 cases, while the new map would be based on 36 280 cases. The difference exceeds 3% in only two Member States (Croatia, +11%, Hungary, +6%)<sup>117</sup>. For this reason, as from this report, the maps and the tables focusing on PP 2007-2013 will no longer be included.

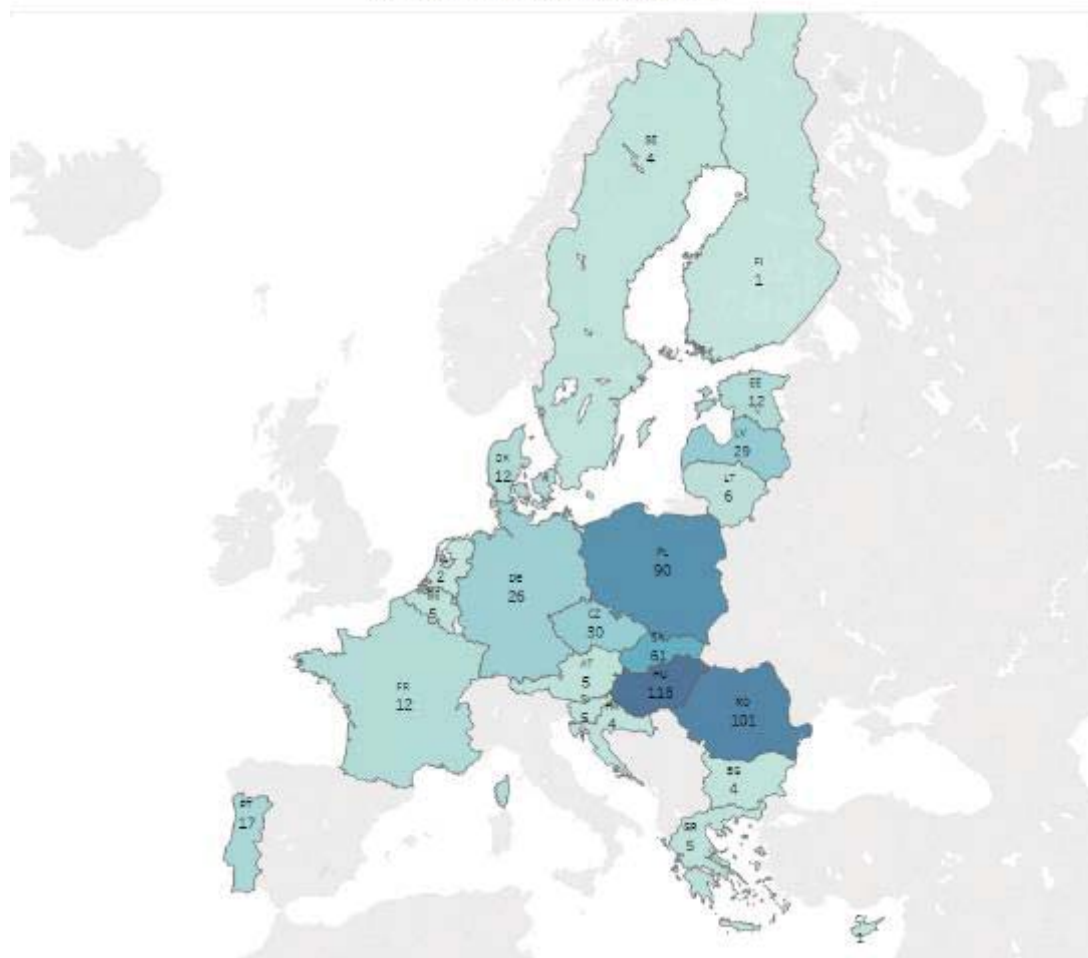
---

<sup>115</sup> ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final (part 2/3)

<sup>116</sup> The difference in financial amounts exceeds 10% in four Member States: Slovakia (-21%), Italy (+14%), Latvia (-11%) and Bulgaria (-76%, but based on a decrease of just EUR 5 million)

<sup>117</sup> The difference in financial amounts exceeds 3% in five Member States: Croatia, +9%, Romania, +5%, Slovenia, +5%, Hungary, +4% and Bulgaria, +3.3%.

Map CP3: Number of irregularities reported as fraudulent by Member State - Programming period 2014-2020  
Cohesion and fisheries policies (EU27)



Past analysis based on PP 2007-2013 suggested that **the concentration of detections is not fully explained by the concentration of payments**<sup>118</sup>. The outcome of that analysis could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities were reported. This analysis found that the divergence between the distribution of detections and the distribution of payments among Member States was smaller for the cohesion and fisheries policies than for CAP, especially in the case of fraudulent irregularities. This could suggest that when it comes to cohesion and fisheries policies Member States take a more similar approach to criminal investigation and prosecution to protect the EU budget or to report suspected fraud than when it comes to agriculture.

#### 4.5.3. Fraud detection rate

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

Table CP17 shows data on fraud detection in the Member States for PP 2014-2020. For reference purposes, the FDR for PP 2007-2013 is also included in the table. These two FDRs

<sup>118</sup> Section 4.4.2 of 'Statistical evaluation of irregularities reported for 2018: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure', SWD(2019)365 final

cannot be directly compared. While PP 2007-2013 has already gone through the whole implementation cycle, **data for PP 2014-2020 are expected to change as implementation progresses**. If the trend of the previous programming period is confirmed, **most of the fraudulent irregularities are still to be detected**. The increase in the financial amounts involved in irregularities will be at least partly **counterbalanced by the increase in the payments made to the Member States**.<sup>119</sup>

The huge FDR recorded by **Slovakia** (15%) is due to three irregularities, accounting for about EUR 850 million. These irregularities also have a strong impact on the EU-27 FDR, which is higher than in PP 2007-2013. In **Romania**, the FDR exceeded 1%, while it was over 0.1% in Latvia, Denmark, Sweden, Hungary, France, Greece and Poland. In the **other Member States, the FDR was still close to zero**. Comparison with the values consolidated for PP 2007-2013 suggests that the FDRs for PP 2014-2020 are likely to change significantly in the coming years.

Table CP17: Number of irregularities reported as fraudulent, amounts involved and fraud detection rate by Member State - Programming period 2014-20

Member State	Irregularities reported as fraudulent		Payments PP 2014-2020 (1)	Fraud detection rate 2014-2020	Fraud detection rate 2007-2013
	Reported N	PP 2014-20			
		EUR	EUR	%	%
AT	5	88,632	454,290,755	0.02	0.14
BE	5	95,460	907,604,377	0.01	0.02
BG	4	605,490	3,535,570,422	0.02	0.02
CY	1	126,260	408,975,201	0.03	0.18
CZ	30	5,198,810	12,031,567,811	0.04	0.94
DE	26	2,719,109	9,401,735,308	0.03	0.12
DK	12	870,189	314,219,787	0.28	0.04
EE	12	1,179,630	2,264,988,559	0.05	0.31
ES	0	0	11,733,308,960	0.00	0.06
FI	1	425,525	872,037,731	0.05	0.00
FR	12	9,561,041	7,272,370,669	0.13	0.02
GR	5	13,477,514	10,750,332,079	0.13	0.47
HR	4	1,570,541	3,337,746,011	0.05	0.28
HU	118	27,449,438	13,090,324,569	0.21	0.04
IE	0	0	585,809,481	0.00	0.00
IT	0	0	12,941,783,362	0.00	0.44
LT	6	430,849	4,102,764,916	0.01	0.03
LU	0	0	26,346,106	0.00	0.00
LV	29	12,218,481	2,405,206,604	0.51	0.71
MT	0	0	331,270,188	0.00	0.04
NL	2	9,000	590,543,259	0.00	0.26
PL	90	51,726,274	45,432,747,516	0.11	0.63
PT	17	4,759,828	12,648,126,175	0.04	0.77
RO	101	133,217,323	9,822,544,138	1.36	0.99
SE	4	2,588,916	943,747,542	0.27	0.00
SI	5	818,085	1,662,083,858	0.05	0.62
SK	61	881,929,120	5,857,234,345	15.06	0.93
<b>TOTAL EU27</b>	<b>550</b>	<b>1,151,065,515</b>	<b>178,052,977,390</b>	<b>0.65</b>	<b>0.44</b>
UK <sup>(2)</sup>	8	1,795,195	4,741,850,766	0.04	0.13

(1) Net payments until 2020 from CF, ERDF, ESF, EMFF. Total includes payments related to cross border cooperation

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

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



<sup>119</sup> The FDR in Table CP17 and the IDR in Table CP18 are based on net payments. These include the pre-financing, which is frontloaded at the beginning of the programming period.

4.5.4. Irregularity detection rate

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

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

Table CP18: Number of irregularities not reported as fraudulent, amounts involved and irregularity detection rate by Member State - Programming period 2014-20

Member State	Irregularities not reported as fraudulent PP 2014-20		Payments PP 2014-2020	Irregularity detection rate 2014-2020 <sup>(1)</sup>	Irregularity detection rate 2007-2013
	Reported	Amounts involved			
	N	EUR	EUR	%	%
AT	38	3,855,141	454,290,755	0.85	2.22
BE	45	2,989,562	907,604,377	0.33	1.22
BG	181	50,976,654	3,535,570,422	1.44	2.26
CY	7	526,142	408,975,201	0.13	0.70
CZ	272	55,156,525	12,031,567,811	0.46	4.90
DE	159	16,684,697	9,401,735,308	0.18	0.53
DK	10	651,114	314,219,787	0.21	0.40
EE	165	18,072,728	2,264,988,559	0.80	0.92
ES	176	20,025,638	11,733,308,960	0.17	4.72
FI	28	1,349,113	872,037,731	0.15	0.23
FR	209	27,421,723	7,272,370,669	0.38	0.45
GR	79	24,955,001	10,750,332,079	0.23	3.72
HR	95	18,699,583	3,337,746,011	0.56	1.23
HU	231	52,116,653	13,090,324,569	0.40	1.22
IE	35	1,873,772	585,809,481	0.32	2.05
IT	214	36,031,103	12,941,783,362	0.28	1.40
LT	250	24,602,544	4,102,764,916	0.60	1.85
LU	0	0	26,346,106	0.00	0.42
LV	50	2,677,092	2,405,206,604	0.11	2.41
MT	9	384,085	331,270,188	0.12	1.86
NL	15	637,009	590,543,259	0.11	2.19
PL	1,291	200,358,115	45,432,747,516	0.44	2.00
PT	127	15,406,392	12,648,126,175	0.12	0.86
RO	308	60,557,304	9,822,544,138	0.62	3.31
SE	39	2,787,270	943,747,542	0.30	0.49
SI	16	1,774,339	1,662,083,858	0.11	1.33
SK	302	382,519,008	5,857,234,345	6.53	8.78
<b>TOTAL EU27</b>	<b>4,351</b>	<b>1,023,088,305</b>	<b>178,052,977,390</b>	<b>0.57</b>	<b>2.46</b>
UK <sup>(2)</sup>	885	15,818,746	4,741,850,766	0.33	2.22

(1) Net payments until 2020 from CF, ERDF, ESF, EMFF. Total includes payments related to cross border cooperation.

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

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



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

In the 2019 PIF Report, a new analysis of the follow-up Member States give to suspected fraud has been introduced. This analysis considers the irregularities that have been reported as suspected fraud between 2007 and 2013 and looks at whether these irregularities have been dismissed, they are still pending as suspected fraud or they have been confirmed as

established fraud. The details of the methodology for this analysis can be found in the 2019 PIF<sup>120</sup>.

Table CP19 includes the update of the *dismissal ratio*, the *established fraud ratio* and the *pending ratio*. The *dismissal ratio* gives the percentage of fraudulent irregularities that have been reclassified as non-fraudulent during their lifetime, until the end of 2020<sup>121</sup>. The *established fraud ratio* gives the percentage of fraudulent irregularities that were classified as established fraud by the end of 2020<sup>122</sup>. The *pending ratio* gives the percentage of fraudulent irregularities that were still classified as suspected fraud at the end of 2020<sup>123</sup>. The sum of these three percentages is 100%.

Table CP19 - Programming period 2007-2013, irregularities reported during the period 2007-2013

Member State	Dismissal		Established fraud		Pending		
	N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
		%		%		%	%
AT	0	0	1	17	5	83	0
BE	0	0	0	0	2	100	50
BG	7	25	1	4	20	71	75
CY	0	0	1	17	5	83	100
CZ	30	58	5	10	17	33	29
DE	16	15	49	45	45	41	56
EE	1	17	2	33	3	50	0
ES	3	75	0	0	1	25	0
FI	3	100	0	0	0	0	NA
FR	0	0	0	0	1	100	100
GR	0	0	3	14	18	86	100
HU	0	0	0	0	6	100	100
IE	0	0	0	0	2	100	50
IT	24	35	1	1	43	63	72
LT	0	0	0	0	9	100	67
LV	6	18	7	21	21	62	62
MT	0	0	0	0	14	100	100
PL	35	28	14	11	78	61	88
PT	1	9	0	0	10	91	0
RO	1	2	2	4	52	95	100
SE	2	67	0	0	1	33	0
SI	7	54	1	8	5	38	100
SK	11	69	5	31	0	0	NA
<b>EU27</b>	<b>147</b>	<b>25</b>	<b>92</b>	<b>15</b>	<b>358</b>	<b>60</b>	<b>75</b>

**Similar to 2019, 25% of the irregularities reported as fraudulent were dismissed. Another 60% of these irregularities were still pending, but for about one fourth of them no change in status is expected.** This is due to the fact that 25% of the irregularities that were still labelled as suspected fraud at the end of 2020 were already closed. This points to a significant underestimation of the *dismissal ratio*, which could already be considered about 40%, with the potential of exceeding 80%, if most of the pending cases of suspected fraud are dismissed.

<sup>120</sup> See Section 4.4.5. of ‘Statistical evaluation of irregularities reported for 2019: own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure’, SWD(2020)160 final (part 2/3)

<sup>121</sup> IRQ2 stands for non-fraudulent irregularities, IRQ3 stands for suspected fraud, IRQ5 stands for established fraud. The following paths are considered for the *dismissal ratio*: IRQ3IRQ2, IRQ2IRQ3IRQ2, IRQ3IRQ5IRQ3IRQ2, IRQ3IRQ5IRQ2, IRQ5IRQ2.

<sup>122</sup> The following paths are considered for the *established fraud ratio*: IRQ3IRQ5, IRQ2IRQ3IRQ5, IRQ2IRQ5, IRQ5, IRQ2IRQ3IRQ2IRQ3IRQ5

<sup>123</sup> The following paths are considered for the *pending ratio*: IRQ3, IRQ2IRQ3, IRQ5IRQ3, IRQ3IRQ2IRQ3, IRQ2IRQ3IRQ2IRQ3, IRQ3IRQ5IRQ3

The *dismissal ratio* varied between Member States. High *dismissal ratios*, especially when associated with high *pending ratios*, may be due either to the detection phase or to the investigation/prosecution phase. Low *dismissal ratios* may be positive, but they may also be the result of many irregularities still pending. After 7 years following the end of the period under consideration, the *dismissal ratio* was zero or very low in many Member States. This indicator must be read in combination with the *pending ratio*. The latter points to the possibility that the *dismissal ratio* increases in the future (depending on the number of pending cases that are still open) or to an underestimation of the *dismissal ratio* (depending on the number of pending cases that are already closed).

**The cases of established fraud were few. This may point to the need to further invest in the investigation/prosecution phase.** For the EU-27 level, the *established fraud ratio* was about 15%. It ranged from zero or about zero, in nearly half of the Member States, to 45%, in Germany. The *established fraud ratio* is not likely to increase significantly because, while 60% of the cases are still classified as suspected fraud (*pending ratio*), about 25% of them are already closed and, in any case, between 7 and 14 years have already passed since the detection of the irregularity.

#### 4.6. Other internal policies

Other Funds are used under shared management to finance other internal policies. Tables CP20 and CP21 provide an overview of all the irregularities and related financial amounts reported by the Member States up to 2020 with reference to the:

- *Asylum, Migration and Integration Fund (AMIF)*: This Fund was set up for the period 2014-2020, with a total envelope of EUR 7.7 billion. It is meant to promote the efficient management of migration flows and the implementation, strengthening and development of a common EU approach to asylum and immigration. The largest proportion of the AMIF (approximately 62%) is channelled through shared management. Member States implement their multiannual national programmes, which the responsible national authorities prepare, implement, monitor and evaluate, in partnership with the relevant stakeholders in the field, including the civil society. All Member States except Denmark participate in the Fund's implementation. Beneficiaries of the programmes implemented under the AMIF include state and federal authorities, local public bodies, non-governmental organisations, humanitarian organisations, international organisations and public law companies and education and research organisations.
- *Fund for European Aid to the Most Deprived (FEAD)*: Over EUR 3.8 billion are earmarked for this Fund for the period 2014-2020. The FEAD supports Member States in providing material assistance to the most deprived, including food, clothing and other essential items for personal use. Material assistance has to go hand in hand with social inclusion measures, such as guidance and support to help people out of poverty. National authorities may also support non-material assistance to the most deprived people to help them integrate better into society. Following the Commission's approval of national programmes, national authorities decide on the delivery of the assistance through partner organisations (public bodies or often non-governmental organisations).
- *European Globalisation Adjustment Fund (EGF)*: This Fund provides support to people who lose their jobs as a result of major structural changes in world trade patterns due to globalisation or as a result of the global economic and financial crisis. The EGF has a maximum annual budget of EUR 150 million for the period 2014-2020. It can fund up to 60% of the cost of projects designed to help workers made redundant find another job or set



up their own business. EGF cases are managed and implemented by national or regional authorities. Each project runs for 2 years.

- **Internal Security Fund (ISF):** This Fund was set up for the period 2014-2020, with a total envelope of EUR 4.2 billion. The Fund promotes the implementation of the internal security strategy, law enforcement cooperation and the management of the EU's external borders. The 2014-2020 ISF is composed of two instruments, ISF Borders and Visa (B&V) and ISF Police. For the 2014-2020 period:
  - EUR 3 billion is available to fund actions under the ISF B&V instrument, of which EUR 2.4 billion are to be channelled through shared management. All Member States except Ireland participate in the implementation. The United Kingdom also does not participate;
  - about EUR 1.2 billion is available to fund actions under the ISF Police instrument, of which EUR 754 million are to be channelled through shared management. All Member States except Denmark participate in the implementation. The United Kingdom also does not participate.
- **Youth Employment Initiative (YEI):** While supporting the Youth Guarantee, the YEI is aimed at young people who are not in education, employment or training (NEETs), including the long-term unemployed or those not registered as job-seekers. It ensures that in parts of Europe where the challenges are most acute, young people can receive targeted support. The YEI's total budget is EUR 8.8 billion for the period 2014-2020. Of the total budget of EUR 8.8 billion, EUR 4.4 billion comes from a dedicated youth employment budget line, which is complemented by another EUR 4.4 billion more from ESF national allocations.

**The FEAD was the Fund most affected by fraud.** Financial amounts involved in these irregularities tend to be high. More than half of the irregularities reported as fraudulent were related to the FEAD and they represented 88% of the irregular financial amounts. The average financial amounts of these cases was nearly EUR 1 million and this was not due just to one case; 6 out of 8 cases ranged between about EUR 850 000 and EUR 1.8 million.

Table CP20: Number of irregularities and financial amounts reported as fraudulent by the Member States - AMIF, FEAD, EGF, ISF and YEI

FUND	REPORTING YEAR										TOTAL	
	2017		2018		2019		2020		N	EUR		
	N	EUR	N	EUR	N	EUR	N	EUR				
AMIF	0	0	2	961,234	0	0	0	0	2	961,234		
FEAD	0	0	3	4,701,019	3	3,166,046	2	48,160	8	7,915,225		
YEI	1	43,558	0	0	4	72,771	0	0	5	116,329		
<b>TOTAL EU27</b>	<b>1</b>	<b>43,558</b>	<b>5</b>	<b>5,662,253</b>	<b>7</b>	<b>3,238,817</b>	<b>2</b>	<b>48,160</b>	<b>15</b>	<b>8,992,788</b>		

More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: AMIF, the FEAD and the YEI. After a slight decrease in 2019, **the number of AMIF irregularities increased in 2020**, exceeding also the level reached in 2018. The Commission redoubled efforts in the monitoring process with the responsible authorities to support beneficiaries with relevant guidance and information on the legality and regularity of the expenditure. **The reporting of FEAD irregularities has been fluctuating during the period, with higher financial amounts involved than with the AMIF. However, half of the irregular financial amounts were associated with the YEI.**



## COHESION AND FISHERIES

Table CP21: Number of irregularities and financial amounts not reported as fraudulent by the Member States - AMIF, FEAD, EGF, ISF and YEI

FUND	REPORTING YEAR										TOTAL	
	2016		2017		2018		2019		2020		N	EUR
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR		
AMIF	0	0	1	11,951	21	1,197,918	19	536,449	32	1,069,533	73	2,815,852
EGF	0	0	0	0	0	0	0	0	1	47,124	1	47,124
FEAD	3	463,921	5	813,205	10	1,097,393	4	873,764	12	1,207,719	34	4,456,001
ISF	1	178,812	0	0	3	419,000	1	223,018	3	81,182	8	902,012
YEI	0	0	3	1,045,224	9	3,559,278	8	3,153,228	6	395,478	26	8,153,208
<b>TOTAL EU27</b>	<b>4</b>	<b>642,732</b>	<b>9</b>	<b>1,870,380</b>	<b>43</b>	<b>6,273,589</b>	<b>32</b>	<b>4,786,459</b>	<b>54</b>	<b>2,801,035</b>	<b>142</b>	<b>16,374,196</b>

## MAIN FINDINGS

### *Fraudulent irregularities*

Between 2016 and 2020, fraudulent irregularities for PP 2007-2013 decreased, following known trends and patterns, due to the implementation cycle of this closed programming period. Reporting for PP 2014-2020 was on an increasing trend.

The financial amounts in both fraudulent and non-fraudulent irregularities are more subject to fluctuations because individual cases may involve high amounts. The amounts are also influenced by different reporting patterns in the Member States. For PP 2007-2013, after financial amounts involved in fraudulent irregularities fell significantly, in 2020 they rebounded. This was mainly due to two large irregularities reported by Italy and Romania. For PP 2014-2020, the financial amounts have been rather subdued, apart from a few huge irregularities reported by Slovakia (two ERDF cases, in 2018 and one CF case, in 2019). The acceleration in 2020 was due to five big cases reported by Romania (CF).

ERDF was the Fund most affected by fraud. The number of irregularities reported as fraudulent jumped in 2015. Since then, the number of fraudulent irregularities has fluctuated around the new, higher level. This was possible because the drop in new cases for PP 2007-2013 was offset by the rise in irregularities detected for PP 2014-2020.

After a decrease in 2017, the number of ESF fraudulent irregularities was rather stable. Detections for PP 2007-2013 have been slowly decreasing while detections for PP 2014-2020 have been slowly increasing. The financial amounts recorded an extraordinary increase in 2018, due to an irregularity Portugal reported.

Since 2010, potential fraud affecting the CF is regularly reported. In 2020, the majority of detections took place in Romania, while in 2018 it was Slovakia reporting most cases.

### *Non-fraudulent irregularities*

Between 2016 and 2020, the number of irregularities and financial amounts for PP 2007-2013 significantly decreased, in line with the multiannual nature of structural programmes, which were already closed in 2015. This trend was common to all Funds. However, in 2020, the financial amounts increased, also because of two large CF irregularities reported by Slovakia and two big ERDF cases reported by Romania and Slovakia.

Since 2016, detections and irregular financial amounts for PP 2014-2020 have been on an increasing trend, but less steep than it could be expected given the experience of the previous programming period. In 2020, some Funds even experienced a decrease, either in terms of numbers or financial amounts. However, the drop in the financial amounts for the CF was due to the peak created in 2019 by two large irregularities reported by Slovakia.

### *Is reporting for PP 2014-2020 in line with past trends?*

Apart from outliers, the number and financial amounts reported as fraudulent for PP 2014-2020 were in line with those detected for PP 2007-2013 after a comparable period from the start of the programming period.

Focusing instead on the non-fraudulent irregularities, the fall in the number and financial amounts reported after 7 years from the start of the programming period is striking and can hardly be explained by delayed implementation. The gap is significant for all Funds, but in particular for the ERDF.

A number of rules changed from PP 2007-2013 to PP 2014-2020. For example, under PP 2014-2020, the managing authorities had to put in place effective and proportionate anti-

fraud measures, taking into account the risks identified. The introduction of the annual accounts might have helped to strengthen internal control at Member State level. Wider use of simplified cost options (SCOs) might be contributing to the decline in non-fraudulent irregularities for ESF, but only for the ESF and also for this Fund the situation should still be closely monitored.

Further analysis by the competent authorities in the Member States is warranted to understand the causes of these declining trends. The different Member States should properly evaluate the actual relevance and impact of these and other changes in their specific context. If different rules/prevention activities from those of the previous programming period are assessed as relevant, the measures that brought these huge changes should be highlighted. If the decline is due to less enforcement or to reporting issues, Member States should act upon these shortcomings in a timely manner.

#### *Detection rates by objective, after a full implementation cycle*

For PP 2007-2013, the FDR was 0.4% and the IDR was 2.4%. On average, 5 out of 100 irregularities and 15 out of 100 euro were reported as fraudulent.

The highest FDR and IDR were associated with the objective 'Fisheries'. Measures for productive investments in aquaculture and investments in processing and marketing were among the riskiest operations. Technical assistance and the development of new markets and promotional campaigns were also particularly vulnerable.

The objective 'Convergence' ranked second, in terms of detection and incidence of fraud. 'European Territorial Cooperation' programmes showed a peculiar behaviour: while detection was by far the lowest, the incidence of fraud was high.

#### *The priorities most affected*

The operational programmes financed under the EU cohesion policy are implemented along identified priorities. For PP 2014-2020, the quality of reporting by the Member States improved, as the number of cases where the priority was actually specified significantly increased, in comparison with PP 2007-2013. However, Member States often continued to report irregularities with the priorities that were valid for PP 2007-2013, but no longer valid for PP 2014-2020.

During PP 2014-2020, research, technological development, innovation and entrepreneurship projects continued to be the most affected by fraudulent irregularities. Compared with PP 2007-2013, Member States are reporting an increasing number of fraudulent irregularities with measures to improve employability. Also, irregularities with infrastructure to provide basic services to citizens (such as energy, environment, transport and ICT) and social, health and education infrastructure increased. This was the case also for social inclusion projects.

For non-fraudulent irregularities, the overall drop in the number of cases from PP 2007-2013 to PP 2014-2020 had an obvious impact on single priorities. However, RTD, innovation and entrepreneurship, together with the 'Development of endogenous potential' remained the priorities most affected by irregularities. The highest financial amounts were associated with infrastructure projects providing basic services, in particular TEN-T motorways and roads (core network).

#### *Focus on the health sector*

Investment in health infrastructure was affected by fraud and irregularities, both during PP 2007-2013 and PP 2014-2020. During these two programming periods, the Member States detected about EUR 10 million in irregular financial amounts that were fraudulent and

EUR 108 million in irregular financial amounts that were non-fraudulent. The average amounts involved in the fraud exceeded EUR 500,000 per case, much more than the irregular funding in an average non-fraudulent case. With regard to fraud, the Member States with the highest number of detections and irregular financial amounts were Slovakia, Romania and Czechia. Reporting of non-fraudulent irregularities was more widespread, with Poland leading in terms of numbers and Slovakia in terms of financial amounts. Actions related to health infrastructure are strongly affected by violations of public procurement rules.

Projects to improve a country's health infrastructure are complex, requiring the procurement of services, works, and supplies of medical and ordinary equipment. Based on how irregularities have affected projects of this type in the past, a wide range of potential risks can be identified. However, future scenarios will have to consider that the COVID-19 crisis increases the risks of irregularities and fraud, basically because of urgent spending through simplified procedures.

#### *Follow-up on the recommendation to improve detection capabilities*

In the antifraud cycle, being able to detect fraud and irregularities is a key feature, which helps make the system effective and efficient in protecting of the EU budget. In the 2017 PIF Report, the Commission recommended that Member States better exploit the potential of risk analysis. In addition, the Commission recommended making greater use of spontaneous reporting of potential irregularities and strengthening the protection of whistle-blowers, who are also a crucial source for investigative journalism. So far, there has been little improvement on the ground.

On the detection of fraudulent irregularities, there was no significant change in the use of risk analysis or information published by the media. There was a noticeable growth in the percentage of fraudulent irregularities detected through tips, but 90% of these cases were reported by five Member States.

The share of non-fraudulent irregularities detected through risk analysis rose, but more than 80% of the relevant cases were reported by two Member States, which were among the 'strong performers' also before the recommendation. There are no indications that the use of risk analysis is actually spreading. The use of tips and the use of information from the media were stable.

#### *Duration of irregularities*

Considering PP 2007-2013 and PP 2014-2020 together, 51% of the irregularities occurred over a period of time (60% of the fraudulent irregularities), with an average duration of 20 months (1 month longer than for fraudulent irregularities).

The average duration of the different phases a case can go through, from perpetration to case closure, has been analysed for PP 2007-2013, which has already gone through the full implementation cycle. On average, it took nearly two and a half years to suspect that an irregularity had been or was being perpetrated. Once the suspicion arose, the Member States detected the irregularity in less than half a year. They then reported the irregularity to the Commission only 8 months after detecting it. The only significant difference between fraudulent and non-fraudulent irregularities was in the average time from reporting them to the Commission to closing the case, which took much longer for the irregularities reported as fraudulent compared to the non-fraudulent ones. This delay is consistent with the longer duration of criminal proceedings.

#### *Anti-fraud activities of Member States*

Past analysis based on PP 2007-2013 suggests that the concentration of detections was not fully justified by the concentration of payments. The outcome of that analysis could be due to many different factors, including different underlying levels of irregularities and fraud, differences in the quality of prevention or detection work or different practices concerning the stage of the procedure when potentially fraudulent irregularities were reported.

FDR and IDR for PP 2014-2020 are still 'immature' and cannot be directly compared with those for PP 2007-2013. If the trend of the previous programming period is confirmed, most of the irregularities for PP 2014-2020 are still to be detected. The increase in the financial amounts of irregularities will be at least partly counterbalanced by the increase in payments made to the Member States.

For 2014-2020, the huge FDR recorded by Slovakia (15%) is due to three irregularities, accounting for about EUR 850 million. In Romania, the FDR exceeded 1%, while it was over 0.1% in Latvia, Denmark, Sweden, Hungary, France, Greece and Poland. In the other Member States, the FDR was still close to zero. Slovakia recorded the highest IDR, at 6.5%. In line with the general deep decrease in non-fraudulent irregularities reported, the IDR is above 1% only in Bulgaria. It is between 0.5% and 1% in Austria, Estonia, Romania, Lithuania and Croatia. In all other Member States, IDR is below 0.5%.

Analysis suggests that the dismissal ratio is high and underestimated. About 60% of the irregularities reported as fraudulent were still pending. However, for about one fourth of them no change in status is expected, because the cases are closed. The cases of established fraud were few. This may point to the need to invest further in the investigation/prosecution phase.

#### *Other shared management funds*

Concerning shared management Funds to finance other internal policies, the FEAD was the Fund most affected by fraud. Financial amounts involved in these irregularities tend to be high, as the average financial amounts of these cases was nearly EUR 1 million.

More than 90% of the detections of non-fraudulent irregularities were related to the following Funds: AMIF, the FEAD and the YEI. After a slight decrease in 2019, the number of AMIF irregularities increased in 2020, exceeding also the level reached in 2018. The reporting of FEAD irregularities has been fluctuating during the period, with higher financial amounts involved than for the AMIF. Half of the irregular financial amounts were associated with the YEI.

## 5. PRE-ACCESSION POLICY

### EXECUTIVE SUMMARY

Irregularities reported during the period 2016-2020 in relation to pre-accession occurred in connection with funds distributed under Pre-accession Assistance (2000-2006, PAA), the Instrument for Pre-accession Assistance I 2007-2013 (IPA I) and the Instrument for Pre-accession Assistance II 2014-2020 (IPA II). About 19% of these irregularities were reported as fraudulent. This percentage (fraud frequency level – FFL) changed over time, increasing in 2019 and peaking in 2020 at 29%. In 2020, more than 70% of cases and related financial amounts were reported by Turkey.

The most recent non-fraudulent irregularities related to PAA were reported in 2019, while the latest fraudulent irregularities were detected in 2018. This is in line with the implementation cycle of the PAA programmes, which covered the period 2000-2006. Since 2000, 14 beneficiary countries have reported 3 268 irregularities (accounting for EUR 410 million). The three most affected funds were SAPARD (rural development), PHARE (institution building, cohesion and cross border cooperation) and ISPA (large infrastructure). In terms of financial amounts, ISPA was more affected than PHARE, even though ISPA accounted for fewer irregularities. This is in line with the larger size of the projects funded by ISPA. Most of the irregularities related to SAPARD were reported by Romania, followed by Bulgaria and Poland. Most of the irregularities related to PHARE were more evenly split between Romania and Bulgaria. Reporting from Romania accounted for the bulk of irregularities related to the ISPA programme.

About 75% of the irregularities reported during the past 5 years were still related to IPA I, although the number of such irregularities fell markedly in 2020. The fraud frequency level was 19% over the past five years, although in 2019 and 2020 it exceeded 30%. Since 2007, 10 beneficiary countries have reported 824 irregularities (accounting for EUR 74 million). The highest number of irregularities concerned IPARD (the successor of SAPARD for rural development), with nearly 90% of the irregularities detected by Turkey. Only two other countries, Croatia and North Macedonia, reported IPARD cases. A broader range of countries reported irregularities concerning cross border cooperation; this was the second most affected component of IPA I. The majority of these irregularities were reported by Bulgaria. Turkey reported nearly 80% of the irregularities related to human resources development (HRD) programmes, the third most affected component of IPA I.

2017 saw the start of irregularities reporting for IPA II. The number of irregularities reported fell markedly in 2020. During the past 4 years, the fraud frequency level was 18%, similar to the FFL for IPA I. The two main contributors to detection were Turkey and North Macedonia, which together reported more than 80% of irregularities and financial amounts. More than 80% of the 146 irregularities related to IPA II (accounting for EUR 3 million) concerned IPARD. The only other component with more than 10 irregularities was cross border cooperation. Most of these irregularities were detected by Bulgaria, followed by Romania.



## 5.1. Introduction

Section 5 presents a statistical evaluation of irregularities and fraud detected by the beneficiary countries during 2020 with reference to the pre-accession policy. It places these detections in the context of past years and relevant programming periods.

The EU provides pre-accession assistance to candidate countries and potential candidates for EU membership to support them in meeting the accession criteria and to bring their institutions and standards in line with the EU *acquis*<sup>124</sup>. The current candidate countries are Albania, Montenegro, North Macedonia, Serbia and Turkey; potential candidates are Bosnia and Herzegovina and Kosovo<sup>125</sup>.

In the whole report, when reference is made to ‘fraudulent’ or ‘fraud’, it includes ‘suspected fraud’ and ‘established fraud’.

## 5.2. Instruments for Pre-accession Assistance

### 5.2.1. Before 2007: Pre-accession Assistance (PAA)

Before 2007, the EU provided pre-accession assistance to candidate countries through a number of separate instruments. The PHARE programme provided support for institution-building measures and associated investment, as well as funding measures to promote economic and social cohesion and cross border cooperation. The ISPA programme dealt with large-scale environmental and transport infrastructure projects, while the SAPARD programme supported agricultural and rural development. For the programme years 2002-2006, Turkey received assistance under the specific pre-accession-oriented framework of the Pre-accession Financial Assistance for Turkey (TIPAA). The CARDS programme was the main financial instrument to promote stability in the Western Balkans and facilitate the region’s closer association with the EU. The countries that joined the EU in 2004<sup>126</sup> received a Transition Facility (TF) in 2004-2006, as did Bulgaria and Romania in 2007-2010. All pre-2007 programmes and projects have been completed<sup>127</sup>.

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

For the period 2007-2013, the EU supported reforms in the ‘enlargement countries’ (i.e., the candidate countries Albania, Montenegro, North Macedonia, Serbia, and Turkey and potential candidates Bosnia and Herzegovina and Kosovo), providing financial and technical help via the Instrument for Pre-accession Assistance (IPA I)<sup>128</sup>. IPA I funds built up the capacities of these countries throughout the accession process. IPA I had a budget of about EUR 11.5 billion and consisted of five components<sup>129</sup>.

The five components of IPA I were: (i) transition assistance and institution building (TAIB); (ii) cross border cooperation (CBC); (iii) regional development (transport, environment and economic development) (REGD); (iv) human resource development (strengthening human capital and combatting exclusion) (HRD); and (v) rural development (IPARD). Candidate

<sup>124</sup> Source: [https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/preaccession-assistance\\_en](https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/preaccession-assistance_en)

<sup>125</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>126</sup> Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.

<sup>127</sup> Source: [https://ec.europa.eu/neighbourhood-enlargement/instruments/former-assistance\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/former-assistance_en).

<sup>128</sup> See Council Regulation (EC) 1085/2006 of 17 July 2006, OJ L 210, 31.7.2006, p. 82-93.

<sup>129</sup> Source: [https://ec.europa.eu/neighbourhood-enlargement/instruments/overview\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en).

countries were eligible for all five components; potential candidates were eligible only for the first two<sup>130</sup>.

The policy and programming of IPA I consisted of (i) multiannual indicative financial framework on a three-year basis, established by country, component and theme; and (ii) multiannual indicative planning documents per country or per groups of countries (regional and horizontal programmes). The candidate countries also had to submit strategic coherence frameworks and multiannual operational programmes for the third and fourth component. Their principal aim was to prepare beneficiary countries for the future use of cohesion policy instruments by closely imitating its strategic documents, national strategic reference framework and operational programmes, and management modes.

### 5.2.3. 2014 – 2020: *The Instrument for Pre-accession Assistance (IPA II)*

For the period 2014-2020, IPA II built on the results achieved under IPA I and set a new framework for providing pre-accession assistance. The primary innovation of IPA II is its strategic focus on specific objectives. The multiannual financial framework for 2014-2020 allocated EUR 11.7 billion for the instrument<sup>131</sup>.

Financial assistance under IPA II pursues four specific objectives: (i) support for political reforms; (ii) support for economic, social and territorial development; (iii) strengthening the beneficiaries' ability to fulfil (future) obligations stemming from EU membership by supporting progressive alignment with the EU *acquis*; and (iv) strengthening regional integration and territorial cooperation. The IPA II Regulation limits financial assistance to five policy areas: (i) reforms in preparation for EU membership and related institution-and capacity-building; (ii) socio-economic and regional development; (iii) employment, social policies, education, promotion of gender equality, and human resources development; (iv) agriculture and rural development; and (v) regional and territorial cooperation.

To provide an individual implementation framework for each beneficiary, country strategy papers were drafted, identifying sectors where improvements were necessary to advance membership goals. The priorities outlined in these papers were translated into detailed actions, included in annual or multiannual action programmes that take the form of financing decisions adopted by the European Commission.

The bulk of IPA II assistance is channelled through the country action programmes; these are the main vehicles for addressing country-specific needs in priority sectors as identified in the indicative strategy papers. Additionally, IPA II funded multi-country action programmes to enhance regional cooperation, particularly in the Western Balkans. Financial assistance was also provided via cross border cooperation programmes to encourage territorial cooperation between IPA II beneficiaries and via rural development programmes to encourage the development of rural areas.

In accordance with the Financial Regulation, IPA II-funded activities are managed either directly (meaning that the Commission implements them directly until the relevant national authorities are accredited to manage the funds) or indirectly (meaning that the Commission delegates the management of certain actions to external entities, while still retaining overall final responsibility for the general budget execution). Cross border cooperation programmes

<sup>130</sup> Source: [https://ec.europa.eu/regional\\_policy/en/funding/ipa/](https://ec.europa.eu/regional_policy/en/funding/ipa/).

<sup>131</sup> See Regulation (EU) 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), OJ L 77, 15.3.2014, p. 11–26 and [https://ec.europa.eu/neighbourhood-enlargement/instruments/overview\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en).

with Member States are administered via shared management, meaning that implementation tasks are delegated to the Member States.

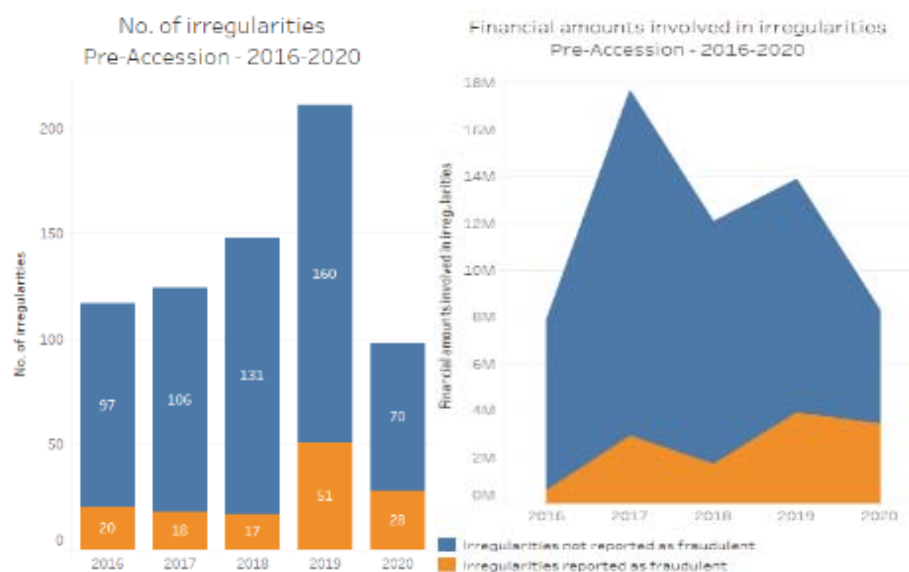
### 5.3. General analysis

This section focuses on the 698 irregularities reported during the period 2016-2020, in relation to pre-accession funds. These irregularities occurred in connection with funds distributed under the 2000-2006 PAA<sup>132</sup> and under IPA I and IPA II<sup>133</sup>. This is further explored in Sections 5.4, 5.5 and 5.6<sup>134</sup>.

Table PA1 (and the related graph) shows all the fraudulent and non-fraudulent irregularities detected by the beneficiary countries during the past 5 years under pre-accession programmes. About 19% of these irregularities were reported as fraudulent. This percentage (the fraud frequency level – FFL) changed over time, increasing in 2019 and peaking in 2020 at 29%.

Table PA1 - Reported irregularities, 2016-2020

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2016	20	598,962	97	7,268,715	117	7,867,677
2017	18	2,924,965	106	14,724,619	124	17,649,584
2018	17	1,721,262	131	10,350,228	148	12,071,490
2019	51	3,910,445	160	9,960,953	211	13,871,398
2020	28	3,422,712	70	4,811,911	98	8,234,623
<b>TOTAL</b>	<b>134</b>	<b>12,578,346</b>	<b>564</b>	<b>47,116,426</b>	<b>698</b>	<b>59,694,772</b>



<sup>132</sup> SAPARD, PHARE, ISPA, CARDS, TIPAA, TF.

<sup>133</sup> CBC, HRD, IPARD, REGD and TAIB.

<sup>134</sup> To provide the complete picture, an additional irregularity must be mentioned. This irregularity, reported as fraudulent by Romania in 2020, relates to cross border cooperation under the European Neighbourhood Instrument. The irregularity is not included in the following analysis, as it does not relate to pre-accession. As part of EU policy towards its neighbours, cross border cooperation supports sustainable development along the EU's external borders, helps reduce differences in living standards and addresses common challenges across these borders.

[https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/cross-border-cooperation\\_en](https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/cross-border-cooperation_en)

For 2020, irregularities were reported by Romania and five other beneficiary countries (see Table PA2). More than 70% of these cases and related financial amounts were reported by Turkey. As mentioned, the global fraud frequency level in 2020 was 29%, ranging from 33% in Serbia to 0 in Albania and Montenegro. When focus is on the financial amounts, the differences were even greater. Here, comparison is based on the share of financial amounts reported as fraudulent (fraud amount level – FAL). North Macedonia recorded the highest FAL, at 94%, while Turkey accounted for the lowest, at 27% (apart from Albania and North Macedonia, which reported no fraudulent cases and Romania, which reported one case but without specifying of the financial amounts involved).

Table PA2 - Reported irregularities, 2020

	Number of irregularities			Amount of irregularities (EUR)		
	Fraudulent	Non-fraud	FFL <sup>1</sup>	Fraudulent	Non-fraud	FAL <sup>1</sup>
AL	0	1	0%	0	0	N/A
ME	0	5	0%	0	49,526	0%
MK	3	10	23%	1,760,346	117,171	94%
RO	1	4	20%	0	239,782	0%
RS	1	2	33%	24,830	41,685	37%
TR	23	48	32%	1,637,536	4,363,747	27%
<b>TOTAL</b>	<b>28</b>	<b>70</b>	<b>29%</b>	<b>3,422,712</b>	<b>4,811,911</b>	<b>42%</b>

<sup>1</sup> For details on the calculation of the FFL and FAL, see SWD(2016)237 final. [http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology\\_statistical\\_evaluation\\_2015\\_en.pdf](http://ec.europa.eu/anti-fraud/sites/antifraud/files/methodology_statistical_evaluation_2015_en.pdf)

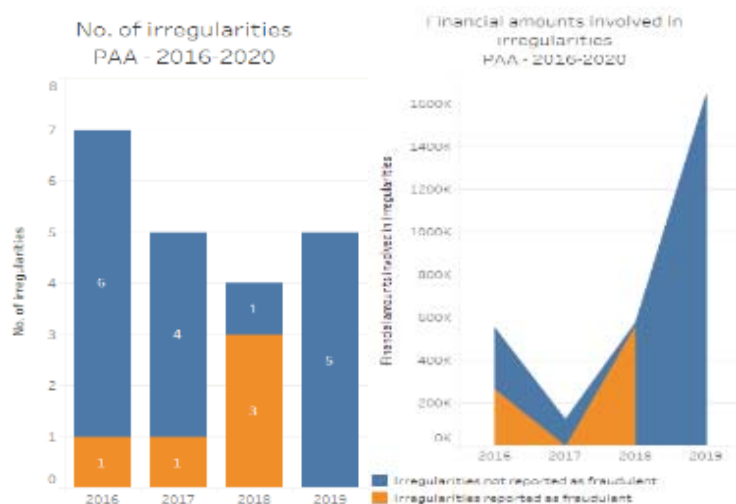
#### 5.4. Pre-accession Assistance (PAA 2000-2006)

##### 5.4.1. Recent trends

The most recent non-fraudulent irregularities related to PAA were reported in 2019, while the latest fraudulent irregularities were detected in 2018. During the past 5 years, the beneficiary countries reported just 21 irregularities, where about EUR 3 million were involved (see Table PA3 and related graph).

Table PA3 - Reported irregularities (PAA), 2016-2020

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2016	1	262,634	6	286,894	7	549,528
2017	1	0	4	121,749	5	121,749
2018	3	569,588	1	8,744	4	578,332
2019	0	0	5	1,639,813	5	1,639,813
2020	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>832,222</b>	<b>16</b>	<b>2,057,200</b>	<b>21</b>	<b>2,889,422</b>



#### 5.4.2. Recent trends by component

The 21 irregularities related to PAA reported during the past 5 years concerned four components. These irregularities were evenly split among ISPA, TIPAA, PHARE and SAPARD. ISPA accounted for the highest number of irregularities (together with TIPAA) and the highest financial amounts (see Table PA4).

Table PA4 - Reported irregularities (PAA) by component, 2016-2020

Year	ISPA		PHARE		SAPARD		TIPAA	
	N	EUR	N	EUR	N	EUR	N	EUR
2016	1	39,000	3	101,351	3	409,177	0	0
2017	0	0	1	0	0	0	4	121,749
2018	0	0	1	23,528	1	8,744	2	546,060
2019	5	1,639,813	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>1,678,813</b>	<b>5</b>	<b>124,879</b>	<b>4</b>	<b>417,921</b>	<b>6</b>	<b>667,809</b>

#### 5.4.3. Recent trends by beneficiary country

The 21 irregularities related to PAA reported during the past 5 years were evenly split among three countries: Romania, Bulgaria and Turkey. The highest financial amounts were reported by Bulgaria (see Table PA5).

Table PA5 - Reported irregularities (PAA) by country, 2016-2020

Year	BG		RO		TR	
	N	EUR	N	EUR	N	EUR
2016	3	101,351	4	448,177	0	0
2017	0	0	1	0	4	121,749
2018	0	0	2	32,272	2	546,060
2019	4	1,587,412	1	52,401	0	0
2020	0	0	0	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>1,688,763</b>	<b>8</b>	<b>532,850</b>	<b>6</b>	<b>667,809</b>

#### 5.4.4. Trends since the start of PAA, by beneficiary country and component

Table PA6 and related graph show the number of irregularities and related financial amounts concerning PAA since 2000, by beneficiary country and component.

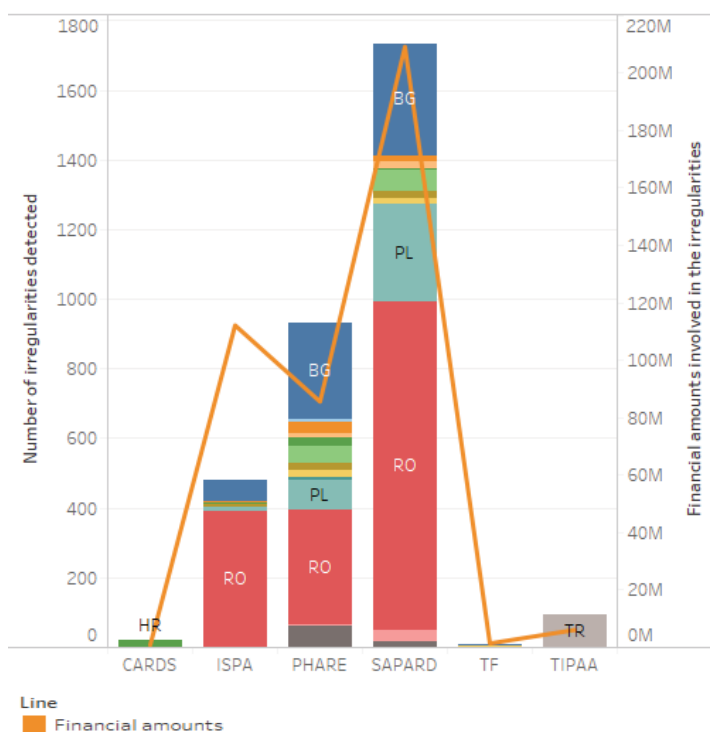
Since 2000, 14 beneficiary countries have reported 3 268 irregularities related to six components. The three most affected components were SAPARD, PHARE and ISPA. In terms of financial amounts, ISPA was more affected than PHARE, even though ISPA accounted for fewer irregularities. The PHARE programme provided support for institution building, as well as for promoting economic and social cohesion and cross border cooperation. The ISPA programme dealt with large-scale environmental and transport infrastructure projects. This contributed to the higher financial amounts involved in the irregularities related to ISPA.

Most of the irregularities related to SAPARD (rural development) were reported by Romania, followed by Bulgaria and Poland. Most of the irregularities related to PHARE were more evenly split between Romania and Bulgaria. Reporting from Romania accounted for the bulk of irregularities related to the ISPA programme (see Table PA6 and related graph).

Table PA6 - Total irregularities reported under PAA components

	CARDS		ISPA		PHARE		SAPARD		TF		TIPAA	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BG	0	0	60	23,002,759	278	22,987,083	318	59,448,081	1	240,000	0	0
CY	0	0	0	0	5	23,807	0	0	0	0	0	0
CZ	0	0	1	830,283	33	1,294,697	17	8,320,142	0	0	0	0
EE	0	0	208,049		15	897,592	21	3,266,179	0	0	0	0
HR	22	838,966	5	5,388,432	24	5,031,606	5	1,282,804	0	0	0	0
HU	0	0	0	0	47	2,200,681	62	3,959,925	0	0	0	0
LT	0	0	7	2,332	22	690,871	17	4,711,726	4	1,021,916	0	0
LV	0	0	0	0	19	1,796,910	20	859,979	1	44,874	0	0
MT	0	0	0	0	8	112,620	0	0	0	0	0	0
PL	0	0	12	83,073	85	3,227,299	279	5,863,183	2	45,800	0	0
RO	0	0	389	82,559,152	329	43,955,175	944	117,908,207	0	0	0	0
SI	0	0	0	0	5	189,006	33	1,347,222	1	60,000	0	0
SK	0	0	1	49,054	61	3,161,935	15	2,144,607	0	0	0	0
TR	0	0	0	0	0	0	0	0	0	0	95	6,115,344
<b>TOTAL</b>	<b>22</b>	<b>838,966</b>	<b>480</b>	<b>112,123,134</b>	<b>931</b>	<b>85,569,282</b>	<b>1,731</b>	<b>209,112,055</b>	<b>9</b>	<b>1,412,590</b>	<b>95</b>	<b>6,115,344</b>

All irregularities PAA





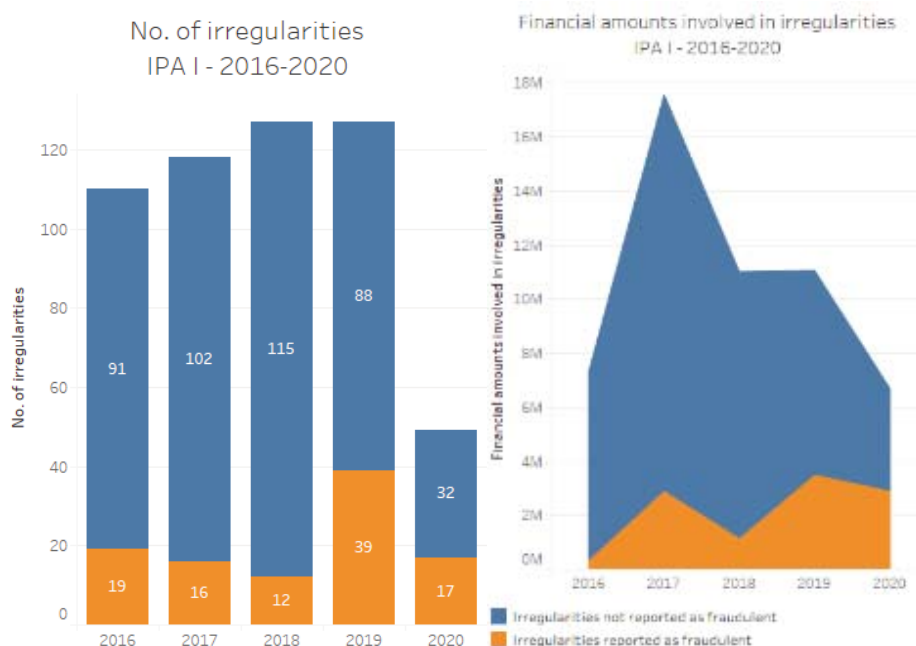
5.5. Instrument for Pre-Accession Assistance (IPA I, 2007-2013)

5.5.1. Recent trends

Most of the irregularities reported during 2016-2020 were still related to IPA I (531 out of 698), although the number of these irregularities fell markedly in 2020. The FFL was 19% during the past 5 years, although in 2019 and in 2020 it exceeded 30%. The number of detections of fraudulent irregularities was particularly high in 2019 (see Table PA7 and related graph).

Table PA7 - Reported irregularities (IPA I), 2016-2020

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2016	19	336,328	91	6,981,821	110	7,318,149
2017	16	2,924,965	102	14,602,871	118	17,527,835
2018	12	1,151,675	115	9,842,979	127	10,994,654
2019	39	3,492,546	88	7,561,194	127	11,053,740
2020	17	2,911,527	32	3,754,744	49	6,666,271
<b>TOTAL</b>	<b>103</b>	<b>10,817,041</b>	<b>428</b>	<b>42,743,609</b>	<b>531</b>	<b>53,560,649</b>



5.5.2. Recent trends by component

The 531 irregularities related to IPA I during the past 5 years concerned five components. By far, the highest number of cases and the highest financial amounts concerned IPARD, the successor of SAPARD supporting agriculture and rural development.

Table PA8 - Reported irregularities (IPA I) by component, 2016-2020

Year	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2016	45	160,700	17	1,208,999	36	5,537,483	3	0	9	410,967
2017	22	738,777	17	1,744,973	56	12,528,243	11	14,450	12	2,501,393
2018	15	181,994	42	1,219,279	57	7,413,172	1	34,000	12	2,146,209
2019	0	0	26	205,119	81	9,390,676	10	47,194	10	1,410,751
2020	1	0	0	0	43	4,860,549	0	0	5	1,805,722
<b>TOTAL</b>	<b>83</b>	<b>1,081,471</b>	<b>102</b>	<b>4,378,370</b>	<b>273</b>	<b>39,730,123</b>	<b>25</b>	<b>95,644</b>	<b>48</b>	<b>8,275,042</b>

5.5.3. *Recent trends by beneficiary country*

During the past 5 years, irregularities related to IPA I were reported by nine countries. The leading contributor to detection was Turkey, which reported about 70% of irregularities and 90% of the financial amounts.

Table PA9 - Reported irregularities (IPA I) by country, 2016-2020

Year	AL		BG		GR		HR		ME		MK		RO		RS		TR	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2016	0	0	31	85,483	0	0	9	165,788	0	0	4	6,500	0	0	12	71,130	54	6,989,247
2017	0	0	15	20,932	1	41,681	10	1,368,047	9	0	1	27,950	1	649,636	1	22,388	80	15,397,202
2018	0	0	9	23,405	2	148,364	7	103,600	5	36,647	1	0	0	0	2	0	101	10,682,638
2019	1	0	0	0	0	0	2	9,081	27	70,418	1	26,183	0	0	8	1,153,297	88	9,794,760
2020	0	0	0	0	0	0	0	0	0	0	3	1,765,449	1	0	2	40,273	43	4,860,549
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>55</b>	<b>129,820</b>	<b>3</b>	<b>190,045</b>	<b>28</b>	<b>1,646,516</b>	<b>41</b>	<b>107,065</b>	<b>10</b>	<b>1,826,082</b>	<b>2</b>	<b>649,636</b>	<b>25</b>	<b>1,287,088</b>	<b>366</b>	<b>47,724,396</b>

5.5.4. *Trends since the start of IPA I, by beneficiary country and component*

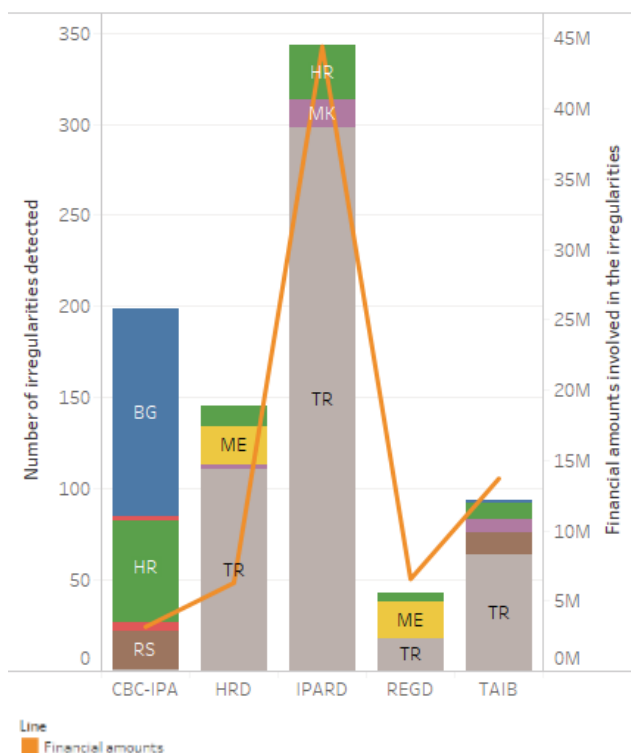
Table PA10 and related graph show the number of irregularities and related financial amounts concerning IPA I since 2007, by beneficiary country and component.

Since 2007, 10 beneficiary countries reported 824 irregularities related to five components. The highest number of irregularities concerned IPARD. Nearly 90% of the irregularities related to IPARD were detected by Turkey. Only two other countries, Croatia and North Macedonia, reported IPARD cases. A broader range of countries reported irregularities concerning cross border cooperation programmes (CBC-IPA), the second most affected component of IPA I. The majority of irregularities were reported by Bulgaria. The only non-Member State that reported irregularities relating to CBC was Serbia (apart from one irregularity reported by Turkey). Besides reporting most of the IPARD irregularities, Turkey also reported nearly 80% of the irregularities related to the human resources development (HRD) programmes, the third most affected component of IPA I (see Table PA10 and related graph).

Table PA10 - Total irregularities reported under IPA I components

	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
AL	0	0	0	0	0	0	0	0	2	0
BG	114	426,492	0	0	0	0	0	0	0	0
GR	3	190,045	0	0	0	0	0	0	0	0
HR	51	228,972	11	423,444	30	1,809,307	5	503,093	9	1,061,787
IT	4	1,410,735	0	0	0	0	0	0	0	0
ME	0	0	21	25,871	0	0	20	81,194	0	0
MK	0	0	2	215,793	15	215,055	0	0	7	1,793,398
RO	5	720,832	0	0	0	0	0	0	0	0
RS	21	168,206	0	0	0	0	0	0	12	1,193,571
TR	1	12,533	111	5,618,814	298	42,408,220	18	5,968,424	64	9,654,533
<b>TOTAL</b>	<b>199</b>	<b>3,157,815</b>	<b>145</b>	<b>6,283,922</b>	<b>343</b>	<b>44,432,582</b>	<b>43</b>	<b>6,552,711</b>	<b>94</b>	<b>13,703,289</b>

All irregularities IPA



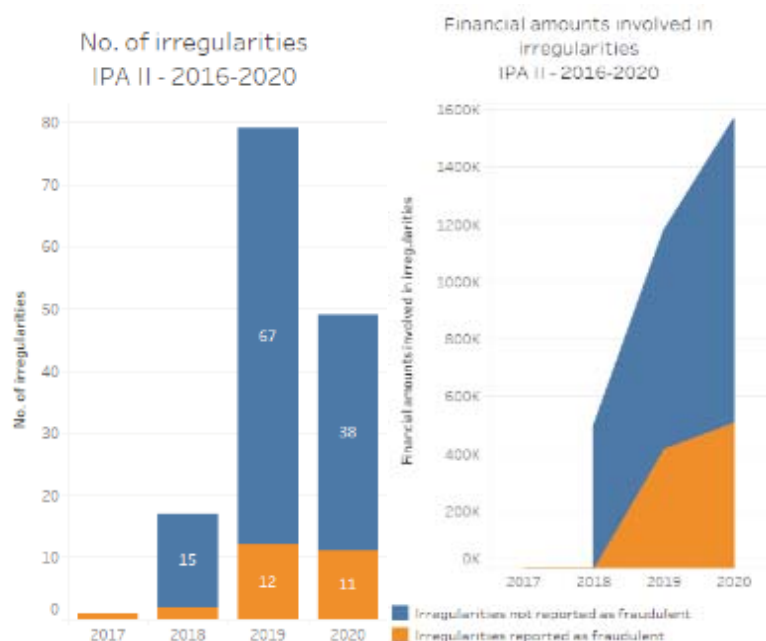
5.6. Instrument for Pre-accession Assistance II (IPA II 2014-2020)

5.6.1. Recent trends

The reporting of irregularities relating to IPA II started in 2017. The number of irregularities reported fell markedly in 2020. During the past 4 years, the fraud frequency level was 18%, similar to the FFL for IPA I (see Table PA11 and related graph).

Table PA11 - Reported irregularities (IPA II), 2016-2020

Year	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		TOTAL	
	N	EUR	N	EUR	N	EUR
2016	0		0	0	0	0
2017	1	0	0	0	1	0
2018	2	0	15	498,504	17	498,504
2019	12	417,899	67	759,945	79	1,177,844
2020	11	511,185	38	1,057,167	49	1,568,351
<b>TOTAL</b>	<b>26</b>	<b>929,084</b>	<b>120</b>	<b>2,315,616</b>	<b>146</b>	<b>3,244,699</b>



5.6.2. Recent trends by component

The 146 irregularities related to IPA II during the past 5 years concerned five components. By far, the highest number of cases and the highest financial amounts concerned IPARD.

Table PA12 - Reported irregularities (IPA II) by component, 2016-2020

Year	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2016	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	1	0	0	0	0	0
2018	8	51,409	0	0	8	447,095	0	0	1	0
2019	2	66,186	0	0	72	1,111,658	3	0	2	0
2020	4	239,782	2	0	38	1,246,820	2	0	3	81,750
<b>TOTAL</b>	<b>14</b>	<b>357,377</b>	<b>2</b>	<b>0</b>	<b>119</b>	<b>2,805,573</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>81,750</b>

5.6.3. Recent trends by beneficiary country

During the past 5 years, irregularities related to IPA II were reported by seven countries. The two main contributors to detection were Turkey and North Macedonia, which together reported more than 80% of irregularities and financial amounts.

Table PA13 - Reported irregularities (IPA II) by country, 2016-2020

Year	AL		BG		ME		MK		RO		RS		TR	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	1	0
2018	0	0	5	51,409	1	0	1	0	0	0	3	0	7	447,095
2019	2	0	2	66,186	0	0	49	323,459	0	0	1	0	25	788,199
2020	1	0	0	0	5	49,526	10	112,068	4	239,782	1	26,242	28	1,140,734
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>117,595</b>	<b>6</b>	<b>49,526</b>	<b>60</b>	<b>435,527</b>	<b>4</b>	<b>239,782</b>	<b>5</b>	<b>26,242</b>	<b>61</b>	<b>2,376,028</b>

5.6.4. Trends since the start of IPA II, by beneficiary country and component

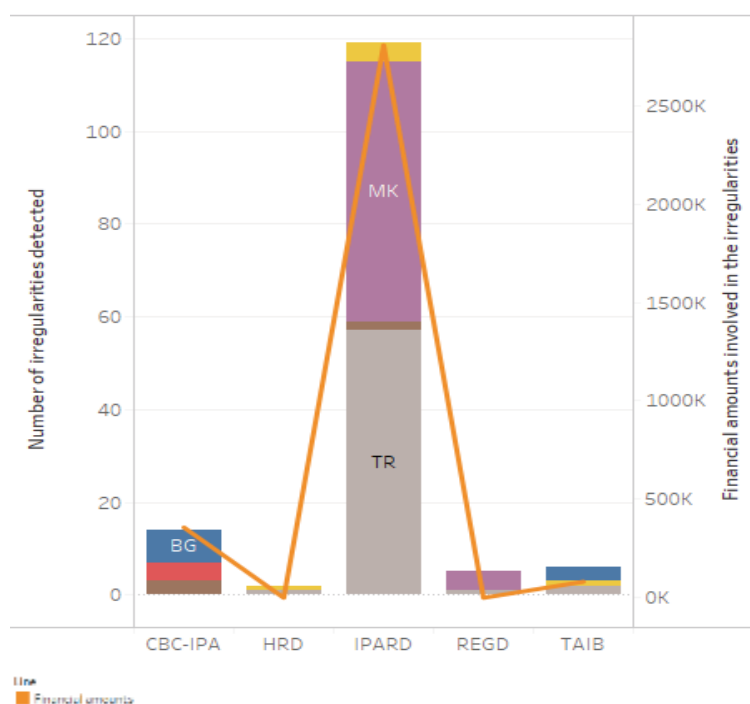
Table PA14 and the related graph show the number of irregularities and related financial amounts concerning IPA II, by beneficiary country and component. As reporting for IPA II started in 2017, data for the past 5 years and data from the start of the programmes (2014) coincide.

Since 2014, 7 beneficiary countries reported 146 irregularities related to five components. More than 80% of the irregularities concerned IPARD. Almost all were detected by Turkey and North Macedonia. The only other component with more than 10 irregularities was cross border cooperation. Most of these irregularities were detected by Bulgaria, followed by Romania.

Table PA14 - Total irregularities reported under IPA II components

	CBC-IPA		HRD		IPARD		REGD		TAIB	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
AL	0	0	0	0	0	0	0	0	3	0
BG	7	117,595	0	0	0	0	0	0	0	0
ME	0	0	1	0	4	49,526	0	0	1	0
MK	0	0	0	0	56	435,527	4	0	0	0
RO	4	239,782	0	0	0	0	0	0	0	0
RS	3	0	0	0	2	26,242	0	0	0	0
TR	0	0	1	0	57	2,294,279	1	0	2	81,750
<b>TOTAL</b>	<b>14</b>	<b>357,377</b>	<b>2</b>	<b>0</b>	<b>119</b>	<b>2,805,574</b>	<b>5</b>	<b>0</b>	<b>6</b>	<b>81,750</b>

All irregularities IPA II



## 6. DIRECT MANAGEMENT

### 6.1. Introduction

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

According to the Financial Regulation, the Commission implements the budget directly (‘direct management’) as set out in Articles 125 to 153, through its departments, including its staff in the Union delegations under the authority of their respective Head of delegation, in accordance with Article 60(2), or through executive agencies as referred to in Article 69<sup>135</sup>.

For the financial year 2020, a total of EUR 26,579 million<sup>136</sup> has been disbursed under ‘direct management’ mode. Table DM1 presents the actual payments by policy areas. Compared to previous years, actual payments are higher, mostly due to increased spending in ‘Migration and home affairs’.

---

<sup>135</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012PE/13/2018/REV/1, OJ L 193, 30.7.2018, p. 1–222

<sup>136</sup> Excluding administrative expenditure. Own calculation based on ABAC data.



Table DM1 – Payments made in financial year 2020 by policy area

Policy area	Payments 2020	
	EUR million	%
Agriculture and rural development	369	1.39%
Climate action	89	0.34%
Communication	71	0.27%
Communications networks, content and technology	1,955	7.36%
Direct research	104	0.39%
Economic and financial affairs	1,486	5.59%
Education and culture	1,557	5.86%
Employment, social affairs and inclusion	172	0.65%
Energy	803	3.02%
Environment	328	1.23%
Foreign policy instruments	300	1.13%
Health and food safety	288	1.09%
Humanitarian aid and civil protection	1,020	3.84%
Internal market, industry, entrepreneurship and SMEs	682	2.57%
International cooperation and development	1,864	7.01%
Justice and consumers	166	0.62%
Maritime affairs and fisheries	222	0.84%
Migration and home affairs	3,247	12.22%
Mobility and transport	2,766	10.41%
Neighbourhood and enlargement negotiations	2,673	10.06%
Regional and urban policy	158	0.59%
Research and innovation	5,938	22.34%
Taxation and customs union	138	0.52%
<b>Sub total of 22 policy areas</b>	<b>26,395</b>	<b>99.31%</b>
Other policy areas	184	0.69%
<b>TOTAL</b>	<b>26,579</b>	<b>100.00%</b>

## 6.2. General analysis

For the financial year 2020, the Commission services registered 1,326 recovery items<sup>137</sup> in ABAC that were qualified as irregularities for a total financial value EUR 62.37 million. Among these recovery items, 41 have been reported as fraudulent, involving EUR 9.15 million irregular amounts.

However, qualifications attributed to recovery items may change over the years: it may happen that cases of irregularities are turned into suspicions of fraud or the other way round, suspicions of fraud are reclassified as non-fraudulent irregularities upon the closure of the OLAF investigation.

### 6.2.1. Five year analysis 2016-2020

The following analysis gives an overview of recovery data recorded in the ABAC system in the last five years. Between 2016 and 2020, on average, for one year, there were 55 recovery items qualified as ‘irregularities reported as fraudulent’<sup>138</sup>. The ratio between the financial amounts related to these irregularities and expenditure during 2016-2020 is very small, it remains close to zero (0.042%). This ratio is quite stable throughout the years. Figures are presented in Table DM2 below.

<sup>137</sup> Recovery items mean ‘recovery context’ elements in ABAC. There can be more recovery context elements associated to one recovery order issued.

<sup>138</sup> ‘Irregularities reported as fraudulent’ are cases of recovery items qualified in the ABAC system as ‘OLAF notified’.

Table DM2 – Irregularities reported as fraudulent and related amounts, financial years 2016-2020

Year	Payments	Irregularities reported as fraudulent		Irregular amounts/ Payments
	EUR million	N	EUR million	%
2016	18,896	79	6.69	0.035
2017	20,124	72	12.37	0.061
2018	20,816	44	6.17	0.030
2019	20,630	37	10.57	0.051
2020	26,579	41	9.15	0.034
<b>TOTAL</b>	<b>107,045</b>	<b>273</b>	<b>44.94</b>	<b>0.042</b>

With regard to ‘irregularities not reported as fraudulent’, between 2016 and 2020, on average, for one year, 1,593 recovery items are registered. The figures for 2020 indicate a noticeable decline, both in the number of cases and in the percentage of irregular amount per payments. Figures are presented in Table DM3 below.

Table DM3 – Irregularities not reported as fraudulent and related amounts, financial years 2016-2020

Year	Payments	Irregularities not reported as fraudulent		Irregular amounts/ Payments
	EUR million	N	EUR million	%
2016	18,896	1,690	71.78	0.380
2017	20,124	1,635	60.33	0.300
2018	20,816	1,579	66.97	0.322
2019	20,630	1,778	55.35	0.268
2020	26,579	1,285	53.22	0.200
<b>TOTAL</b>	<b>107,045</b>	<b>7,967</b>	<b>307.66</b>	<b>0.287</b>

Between 2016 and 2020, in total, there were 7,967 registered recovery items qualified as ‘irregularities not reported as fraudulent’, with an aggregate recovery amount of EUR 307.66 million. The ratio between these aggregate irregular amounts corresponding to the recovery items and expenditure during 2016-2020 is less than 0.3% (see Total in Table DM3). This ratio has been steadily declining for many years now from the zone of 0,5-0,6% (five years ago).

These figures show the efficiency of the irregularity detection and recovery mechanisms in place.

### 6.3. Specific analysis

#### 6.3.1. Recoveries according policy areas

Table DM4 provides an overview of irregularity statistics by policy area for 2020.

Table DM4 – Irregularities reported by policy areas and related amounts, 2020

Policy area	Payments 2020	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	EUR million	N	UR millio	N	UR millio
Agriculture and rural development	369	1	0.07	1	0.05
Climate action	89	1	0.00	0	0.00
Communication	71	0	0.00	0	0.00
Communications networks, content and technology	1,955	159	4.35	7	0.80
Direct research	104	0	0.00	0	0.00
Economic and financial affairs	1,486	7	0.26	0	0.00
Education and culture	1,557	68	1.31	3	0.97
Employment, social affairs and inclusion	172	10	0.03	0	0.00
Energy	803	27	2.13	0	0.00
Environment	328	35	1.07	0	0.00
Foreign policy instruments	300	28	1.96	3	3.20
Health and food safety	288	39	1.23	0	0.00
Humanitarian aid and civil protection	1,020	62	2.29	0	0.00
Internal market, industry, entrepreneurship and SMEs	682	97	2.98	6	0.51
International cooperation and development	1,864	118	4.22	1	0.09
Justice and consumers	166	30	0.49	0	0.00
Maritime affairs and fisheries	222	3	0.01	5	1.63
Migration and home affairs	3,247	78	3.87	1	0.22
Mobility and transport	2,766	35	12.29	0	0.00
Neighbourhood and enlargement negotiations	2,673	61	1.59	1	0.01
Regional and urban policy	158	2	0.07	0	0.00
Research and innovation	5,938	371	10.41	12	1.51
Taxation and customs union	138	41	2.41	1	0.16
Other policy areas	184	12	0.17	0	0.00
<b>TOTAL</b>	<b>26,579</b>	<b>1,285</b>	<b>53.22</b>	<b>41</b>	<b>9.15</b>

In the financial year 2020, the highest numbers of recovery items qualified as 'irregularities not reported as fraudulent' was recorded in the budget area 'Research and innovation' (371). It was the 'Mobility and transport' policy field where the highest irregular amounts were registered (EUR 12.29 million).

During the same year, 41 recovery items were registered as 'irregularities reported as fraudulent'. The three policy areas with the highest number of irregularities reported were 'Research and innovation' (12 items), 'Communications networks, content and technology' (7 items) and 'Internal market, industry, entrepreneurship and SMEs' (6 items). EUR 9.15 million were involved in these irregularities, out of which 35% (EUR 3.2 million) were related to the policy area 'Foreign Policy Instruments'.

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

Table DM5 – Irregularities reported by policy areas and related amounts, financial years 2016-2020

Policy area	Payments 2016-2020	Irregularities not reported as fraudulent	Irregular amounts/ Payments	Irregularities reported as fraudulent	Irregular amounts/ Payments
	EUR million	EUR million	%	EUR million	%
Agriculture and rural development	1,326	0.08	0.006	0.05	0.004
Climate action	278	0.02	0.008	0.00	0.000
Communication	379	0.19	0.050	0.00	0.000
Communications networks, content and technology	9,393	45.98	0.490	18.20	0.194
Direct research	495	0.03	0.007	0.00	0.000
Economic and financial affairs	9,061	0.36	0.004	0.00	0.000
Education and culture	6,816	14.48	0.212	3.79	0.056
Employment, social affairs and inclusion	783	1.31	0.167	0.00	0.000
Energy	3,614	6.13	0.170	0.00	0.000
Environment	1,432	6.00	0.419	0.92	0.065
Foreign policy instruments	1,382	16.88	1.222	4.32	0.313
Health and food safety	1,481	8.10	0.547	0.00	0.000
Humanitarian aid and civil protection	4,151	12.72	0.306	0.37	0.009
Internal market, industry, entrepreneurship and SMEs	2,345	17.41	0.742	1.18	0.050
International cooperation and development	8,771	30.68	0.350	5.72	0.065
Justice and consumers	659	2.67	0.405	0.00	0.000
Maritime affairs and fisheries	1,004	0.38	0.037	1.64	0.164
Migration and home affairs	5,756	9.95	0.173	0.22	0.004
Mobility and transport	10,431	34.95	0.335	1.12	0.011
Neighbourhood and enlargement negotiations	9,843	19.98	0.203	1.47	0.015
Regional and urban policy	641	0.12	0.018	0.00	0.000
Research and innovation	25,669	75.35	0.294	5.32	0.021
Taxation and customs union	569	3.19	0.561	0.59	0.104
Other policy areas	764	0.68	0.089	0.03	0.003
<b>TOTAL</b>	<b>107,045</b>	<b>307.66</b>	<b>0.287</b>	<b>44.94</b>	<b>0.042</b>

During 2016-2020, ‘Communications networks, content and technology’ was the policy field with the highest aggregate recovery amounts (EUR 18.2 million) in relation to ‘irregularities reported as fraudulent’. This policy represented more than 40% of the total amounts. It is followed by policy areas ‘International cooperation and development’ (EUR 5.72 million) and ‘Research and innovation’ (EUR 5.32 million), yet with much smaller amounts.

With regard to ‘irregularities not reported as fraudulent’, during 2016-2020, the highest aggregate recovery amounts were recorded in the policy area of ‘Research and innovation’ (EUR 75.35 million). It is followed by ‘Communications networks, content and technology’ (EUR 45.98 million) and then by ‘Mobility and transport’ (EUR 34.95 million). These three policy areas account for more than half (51%) of the total recovery amounts related to ‘irregularities not reported as fraudulent’ over the past five years.

The ratio between the aggregate recovery amounts related to all recovery items and expenditure during 2016-2020 remains very low, on average 0.329% (0.287%+0.042%).

### 6.3.2. Recoveries according to legal entity residence

During 2016-2020, with regard to ‘irregularities not reported as fraudulent’, 87% of the total number of recovery items and 85% of the related recovery amounts concerned legal entities that are resident of the European Union. However, the residence of the legal entity and the residence of the beneficiary are not necessarily the same. Nevertheless, in 74% of the ‘irregularities not reported as fraudulent’ and 70% of the related amounts, both the main beneficiary and the legal entity concerned were resident in an EU Member State. For ‘irregularities reported as fraudulent’, these ratios are higher: 90% of the total number of recovery items and 91% of the related recovery amounts concerned a legal entity residing in an EU Member State. In 80% of the ‘irregularities reported as fraudulent’ and 71% of the amounts concerned both the final beneficiary and the legal entity concerned are resident in an EU Member State.

Table DM6 – Recoveries per country of residence of the legal entity, 2016-2020

LE Country name	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	N	EUR million	N	EUR million
Austria	170	7.25	0	0.00
Belgium	476	17.65	4	5.50
Bulgaria	44	1.06	0	0.00
Croatia	44	2.15	0	0.00
Cyprus	47	0.49	7	0.20
Czech Republic	60	6.40	12	0.98
Denmark	211	11.92	0	0.00
Estonia	29	1.02	6	0.58
Finland	110	3.95	4	0.92
France	736	18.61	39	2.25
Germany	642	26.83	14	6.07
Greece	183	6.40	35	0.20
Hungary	67	2.55	3	0.68
Ireland	111	3.14	2	0.10
Italy	617	23.13	42	11.16
Latvia	22	0.13	0	0.00
Lithuania	27	0.28	1	0.11
Luxembourg	27	0.62	0	0.00
Malta	43	0.73	0	0.00
Netherlands	684	20.54	10	2.13
Poland	102	2.48	3	0.09
Portugal	92	5.11	22	3.26
Romania	80	5.34	5	0.20
Slovakia	15	4.15	0	0.00
Slovenia	120	2.44	0	0.00
Spain	956	30.44	18	1.06
Sweden	214	7.78	1	0.09
United Kingdom	966	46.97	18	5.38
<b>Total EU 28</b>	<b>6,895</b>	<b>259.57</b>	<b>246</b>	<b>40.95</b>
<i>Total other countries</i>	<i>1,072</i>	<i>48.09</i>	<i>27</i>	<i>3.99</i>
<b>Grand Total</b>	<b>7,967</b>	<b>307.66</b>	<b>273</b>	<b>44.94</b>

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

### 6.3.3. Method of detection

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

Table DM7 – Irregularities reported by source of detection and by qualification, 2016-2020

Source of detection 2016-2020	Irregularities not reported as fraudulent		Irregularities reported as fraudulent	
	N	EUR million	N	EUR million
Ex-ante controls	798	52.89	6	0.46
Ex-post controls	6,826	225.05	59	2.57
Other controls (ECA)	61	11.31	2	0.11
Other controls (Member States)	14	3.13	0	0.00
Other controls (OLAF)	40	4.84	206	41.79
Other controls (To identify) and n.a.	228	10.43	0	0.00
<b>TOTAL</b>	<b>7,967</b>	<b>307.66</b>	<b>273</b>	<b>44.94</b>

With reference to the ‘irregularities reported as fraudulent’, ‘OLAF’ has been mentioned as the source of detection in relation to 75% of recovery items, corresponding to 93% of total recovery amounts. Meanwhile ‘Ex-post controls’ were the source of detection of another 22% of this type of recovery items, corresponding to another 6% of the recovery amounts.

About 85% of ‘irregularities not reported as fraudulent’ were detected through Commission controls (*Ex-ante* and *Ex-post* controls). The share of Ex-ante controls has been steadily declining from 30% (five years ago) to 10% (value of the indicator now).

#### 6.3.4. Types of irregularity

The Commission services also have to specify, in the recovery context, the type of irregularity in relation to each recovery item. Several types can be attributed to one recovery item. For ‘irregularities reported as fraudulent’, ‘Amount ineligible’ was the most frequent type during the past five years. In relation to ‘irregularities not reported as fraudulent’, ‘Amount ineligible’ remains the most frequent irregularity type, followed by ‘Under-performance/Non-performance’ and then by ‘Documents missing’.

Table DM8 provides the full picture regarding the frequency of each type during the past five years. The figures are stable and have been following the same pattern for many years.

Table DM8 – Types of irregularity, 2016-2020

Type of irregularity 2016-2020	Irregularities not reported as fraudulent (frequency %)		Irregularities reported as fraudulent (frequency %)	
	N	Amount	N	Amount
Amount ineligible	85.6	71.1	74.8	69.8
Beneficiary	2.1	2.3	8.2	14.3
Calculation Error	1.9	3.3	0.0	0.0
Documents missing	3.6	3.4	3.9	7.1
Double funding	0.6	4.6	4.6	0.2
Profit	0.4	0.5	2.6	3.0
Public procurement rules not respected	0.5	1.1	2.6	4.6
Under-performance / non-performance	5.2	13.5	3.3	1.0
(blank)	0.1	0.2	0.0	0.0
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



6.3.5. *Recovery*

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

For the recovery orders issued between 2016 and 2020, 56% of the total irregular amounts have already been recovered. The recovery rate for ‘irregularities reported as fraudulent’ (26%) remains well below the one calculated for ‘irregularities not reported as fraudulent’ (60%).

COUNTRY FACTSHEETS

Belgium - Belgique/België

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	106	46,735,745	279	9,585,217	2.34%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	9	221,951	0.00	0.04
Rural Development (RD)	0	0	17	300,118	0.00	0.34
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>522,069</b>	<b>0.00</b>	<b>0.08</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	34	727,243	0.00	0.03
Rural Development (RD)	0	0	55	1,393,796	0.00	0.45
SA/RD	0	0	3	49,576		
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>2,170,615</b>	<b>0.00</b>	<b>0.07</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>162,878</b>		
ERDF	0	0	1	162,878		
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>437,725</b>	<b>392</b>	<b>25,371,923</b>	<b>0.02</b>	<b>1.22</b>
ERDF	3	1,936	137	11,895,993	0.00	1.21
ESF	3	435,789	255	13,475,930	0.04	1.26
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>4</b>	<b>93,907</b>	<b>18</b>	<b>809,701</b>		
ERDF	0	0	14	662,984		
ESF	4	93,907	4	146,717		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>95,460</b>	<b>45</b>	<b>2,989,562</b>	<b>0.01</b>	<b>0.33</b>
ERDF	1	1,553	31	1,487,829	0.00	0.40
ESF	4	93,907	14	1,501,733	0.02	0.29

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
0	0	1	13	7	88	0
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	2	100	50

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Bulgaria – България

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	7	6,019,258	0	0	5.52%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	1,080,667	5	671,347	0.14	0.08
Rural Development (RD)	1	11,226	266	19,904,532	0.00	6.57
<b>TOTAL</b>	<b>4</b>	<b>1,091,893</b>	<b>271</b>	<b>20,575,879</b>	<b>0.10</b>	<b>1.86</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	13	16,387,775	17	3,194,312	0.41	0.08
Rural Development (RD)	41	7,689,460	801	51,947,973	0.62	4.16
<b>TOTAL</b>	<b>54</b>	<b>24,077,235</b>	<b>818</b>	<b>55,142,285</b>	<b>0.46</b>	<b>1.06</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>40,626</b>		
ERDF	0	0	1	28,097		
EFF	0	0	1	12,529		
<b>Programming Period 2007-13 - cumulative</b>	<b>30</b>	<b>1,610,959</b>	<b>699</b>	<b>146,146,984</b>	<b>0.02</b>	<b>2.26</b>
CF	0	0	171	80,626,322	0.00	3.65
ERDF	6	260,230	378	54,964,985	0.01	1.82
ESF	20	992,814	95	8,167,087	0.08	0.69
EFF	4	357,915	55	2,388,590	0.60	4.00
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>2</b>	<b>110,931</b>	<b>110</b>	<b>40,077,583</b>		
CF	0	0	6	20,261,346		
ERDF	0	0	88	17,993,119		
ESF	2	110,931	13	1,229,222		
EMFF	0	0	3	593,896		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>605,490</b>	<b>181</b>	<b>50,976,654</b>	<b>0.02</b>	<b>1.44</b>
CF	0	0	11	24,145,281	0.00	3.02
ERDF	1	370,891	142	24,417,062	0.02	1.32
ESF	3	234,599	25	1,820,415	0.03	0.21
EMFF	0	0	3	593,896	0.00	2.43

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
24	10	60	26	146	63	72
<b>Cohesion and Fisheries Policy</b>						
7	25	1	4	20	71	75

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Czech Republic - Česká republika

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	60	4,826,251	1.55%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	10	169,270	0.00	0.02
Rural Development (RD)	2	209,981	34	707,526	0.05	0.18
<b>TOTAL</b>	<b>2</b>	<b>209,981</b>	<b>44</b>	<b>876,796</b>	<b>0.02</b>	<b>0.07</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	5	3,978,136	33	721,502	0.09	0.02
Rural Development (RD)	31	2,620,687	188	6,971,049	0.17	0.45
<b>TOTAL</b>	<b>36</b>	<b>6,598,823</b>	<b>221</b>	<b>7,692,551</b>	<b>0.11</b>	<b>0.13</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>16</b>	<b>4,267,074</b>	<b>49</b>	<b>2,988,079</b>		
CF	4	1,902,892	15	1,019,382		
ERDF	10	2,331,141	27	1,836,575		
ESF	2	33,041	7	132,122		
<b>Programming Period 2007-13 - cumulative</b>	<b>197</b>	<b>240,372,045</b>	<b>3,784</b>	<b>1,248,358,549</b>	<b>0.94</b>	<b>4.90</b>
CF	29	17,238,940	372	129,603,809	0.20	1.50
ERDF	126	220,731,461	2,054	1,017,084,871	1.67	7.71
ESF	37	2,002,914	1,329	100,140,713	0.06	2.79
EMFF	5	398,730	29	1,529,156	1.65	6.32
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>6</b>	<b>1,573,460</b>	<b>125</b>	<b>7,679,345</b>		
CF	1	515,679	23	1,051,518		
ERDF	2	1,007,515	58	4,842,913		
ESF	3	50,266	38	1,223,361		
EMFF	0	0	6	561,553		
<b>Programming Period 2014-20 - cumulative</b>	<b>30</b>	<b>5,198,811</b>	<b>272</b>	<b>55,156,525</b>	<b>0.04</b>	<b>0.46</b>
CF	1	515,679	78	42,580,911	0.01	1.13
ERDF	19	4,526,636	103	9,186,648	0.07	0.15
ESF	10	156,496	78	2,595,771	0.01	0.13
EMFF	0	0	13	793,195	0.00	5.38

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
14	88	2	13	0	0	NA
<b>Cohesion and Fisheries Policy</b>						
30	58	5	10	17	33	29

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Denmark – Danmark

1. Traditional Own Resources						
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	4	179,576	61	5,141,329	1.26%	

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	53,560	0.00	0.01
Rural Development (RD)	12	853,152	1	39,322	0.89	0.04
<b>TOTAL</b>	<b>12</b>	<b>853,152</b>	<b>4</b>	<b>92,882</b>	<b>0.09</b>	<b>0.01</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	4	121,304	24	661,797	0.00	0.02
Rural Development (RD)	19	3,179,945	31	1,314,179	0.68	0.28
SA/RD	0	0	1	42,542		
<b>TOTAL</b>	<b>23</b>	<b>3,301,249</b>	<b>56</b>	<b>2,018,518</b>	<b>0.07</b>	<b>0.04</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>2</b>	<b>234,251</b>	<b>51</b>	<b>2,554,866</b>	<b>0.04</b>	<b>0.40</b>
ERDF	2	234,251	19	773,008	0.09	0.30
ESF	0	0	15	523,101	0.00	0.21
EFF	0	0	17	1,258,757	0.00	1.03
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>157,614</b>		
ERDF	0	0	1	12,152		
ESF	0	0	1	20,493		
EMFF	0	0	3	124,969		
<b>Programming Period 2014-20 - cumulative</b>	<b>12</b>	<b>870,189</b>	<b>10</b>	<b>651,114</b>	<b>0.28</b>	<b>0.21</b>
ERDF	2	165,316	4	178,626	0.16	0.17
ESF	0	0	3	347,519	0.00	0.31
EMFF	10	704,873	3	124,969	0.70	0.12

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
13	11	0	0	105	89	27
<b>Cohesion and Fisheries Policy</b>						

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Germany – Deutschland

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	87	7,775,380	1,348	147,714,329	3.21%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	53,560	0.00	0.01
Rural Development (RD)	12	853,152	1	39,322	0.89	0.04
<b>TOTAL</b>	<b>12</b>	<b>853,152</b>	<b>4</b>	<b>92,882</b>	<b>0.09</b>	<b>0.01</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	4	121,304	24	661,797	0.00	0.02
Rural Development (RD)	19	3,179,945	31	1,314,179	0.68	0.28
SA/RD	0	0	1	42,542		
<b>TOTAL</b>	<b>23</b>	<b>3,301,249</b>	<b>56</b>	<b>2,018,518</b>	<b>0.07</b>	<b>0.04</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>1,606,401</b>		
ERDF	0	0	11	1,186,401		
ESF	0	0	1	403,080		
EFF	0	0	1	16,920		
<b>Programming Period 2007-13 - cumulative</b>	<b>206</b>	<b>30,155,819</b>	<b>1,391</b>	<b>131,699,841</b>	<b>0.12</b>	<b>0.53</b>
ERDF	37	12,606,797	933	101,575,865	0.08	0.65
ESF	168	17,534,902	451	29,316,047	0.19	0.32
EFF	1	14,120	7	807,929	0.01	0.74
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>10</b>	<b>800,720</b>	<b>76</b>	<b>9,990,050</b>		
ERDF	7	624,412	43	8,863,510		
ESF	3	176,308	32	1,052,088		
EMFF	0	0	1	74,452		
<b>Programming Period 2014-20 - cumulative</b>	<b>26</b>	<b>2,719,109</b>	<b>159</b>	<b>16,684,697</b>	<b>0.03</b>	<b>0.18</b>
ERDF	15	1,450,916	90	12,884,664	0.03	0.27
ESF	11	1,268,193	67	3,714,567	0.03	0.08
EMFF	0	0	2	85,466	0.00	0.07

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
10	42	4	17	10	42	40
<b>Cohesion and Fisheries Policy</b>						
16	15	49	45	45	41	56

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

## COUNTRY FACTSHEETS

### Estonia – Eesti

#### 1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	6	1,032,346	2	87,823	2.69%

#### 2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	19	2,456,281	60	2,289,883	2.42	2.26
<b>TOTAL</b>	<b>19</b>	<b>2,456,281</b>	<b>60</b>	<b>2,289,883</b>	<b>1.00</b>	<b>0.93</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	28	5,572,692	169	8,053,817	1.03	1.49
<b>TOTAL</b>	<b>28</b>	<b>5,572,692</b>	<b>169</b>	<b>8,053,817</b>	<b>0.47</b>	<b>0.68</b>

#### 3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>17,085</b>		
ESF	0	0	1	17,085		
<b>Programming Period 2007-13 -</b>	<b>23</b>	<b>10,754,923</b>	<b>337</b>	<b>31,931,150</b>	<b>0.31</b>	<b>0.92</b>
CF	5	2,691,616	18	2,760,342	0.23	0.24
ERDF	14	7,634,704	250	26,379,365	0.41	1.42
ESF	3	252,912	45	1,279,980	0.06	0.33
EFF	1	175,691	24	1,511,463	0.22	1.86
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>3</b>	<b>271,389</b>	<b>60</b>	<b>5,108,456</b>		
CF	0	0	16	2,102,209		
ERDF	3	271,389	35	2,834,978		
ESF	0	0	9	171,269		
<b>Programming Period 2014-20 - cumulative</b>	<b>12</b>	<b>1,179,630</b>	<b>165</b>	<b>18,072,729</b>	<b>0.05</b>	<b>0.80</b>
CF	0	0	38	8,581,892	0.00	1.11
ERDF	10	1,104,660	103	7,368,525	0.10	0.68
ESF	2	74,970	20	2,062,075	0.02	0.59
EMFF	0	0	4	60,237	0.00	0.11

#### 4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
1	5	7	33	13	62	0
<b>Cohesion and Fisheries Policy</b>						
1	17	2	33	3	50	0

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*



Ireland – Éire

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	5	360,328	15	2,896,224	1.11%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	0	0	1	10,978	0.00	0.00
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>10,978</b>	<b>0.00</b>	<b>0.00</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	17	341,232	0.00	0.01
Rural Development (RD)	1	2,750	51	1,650,261	0.00	0.11
Blank	1	12,492	13	218,413		
<b>TOTAL</b>	<b>2</b>	<b>15,242</b>	<b>81</b>	<b>2,209,906</b>	<b>0.00</b>	<b>0.03</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>2</b>	<b>15,672</b>	<b>270</b>	<b>16,257,085</b>	<b>0.00</b>	<b>2.05</b>
ERDF	0	0	95	4,107,230	0.00	1.09
ESF	2	15,672	165	12,013,395	0.00	3.20
EFF	0	0	10	136,460	0.00	0.32
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>1,873,772</b>		
ERDF	0	0	15	394,543		
ESF	0	0	20	1,479,229		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>1,873,772</b>	<b>0.00</b>	<b>0.32</b>
ERDF	0	0	15	394,543	0.00	0.15
ESF	0	0	20	1,479,229	0.00	0.62

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
0	0	0	0	4	100	0
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	2	100	50

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Greece – Ελλάδα

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	24	3,039,308	57	4,154,520	2.84%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	56	1,185,139	0.00	0.06
Rural Development (RD)	0	0	193	2,523,480	0.00	0.48
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>249</b>	<b>3,708,619</b>	<b>0.00</b>	<b>0.14</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	10,440	173	3,510,947	0.00	0.03
Rural Development (RD)	4	64,643	572	8,792,293	0.00	0.30
Blank	0	0	1	10,329		
<b>TOTAL</b>	<b>5</b>	<b>75,083</b>	<b>746</b>	<b>12,313,569</b>	<b>0.00</b>	<b>0.09</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>3</b>	<b>586,500</b>	<b>0</b>	<b>0</b>		
ERDF	3	586,500	0	0		
<b>Programming Period 2007-13 - cumulative</b>	<b>70</b>	<b>95,619,625</b>	<b>2,079</b>	<b>757,218,981</b>	<b>0.47</b>	<b>3.72</b>
CF	2	16,475,964	177	142,343,843	0.45	3.85
ERDF	57	78,832,523	1,513	545,130,247	0.65	4.49
ESF	11	311,138	369	65,167,054	0.01	1.49
EFF	0	0	20	4,577,837	0.00	2.79
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>1,419,867</b>		
ERDF	0	0	4	171,348		
ESF	0	0	8	1,248,519		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>13,477,514</b>	<b>79</b>	<b>24,955,001</b>	<b>0.13</b>	<b>0.23</b>
CF	3	6,117,703	8	6,947,476	0.43	0.49
ERDF	2	7,359,811	31	8,405,475	0.11	0.13
ESF	0	0	40	9,602,050	0.00	0.35

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>7</b>	<b>30</b>	<b>1</b>	<b>4</b>	<b>15</b>	<b>65</b>	<b>93</b>
<b>0</b>	<b>0</b>	<b>3</b>	<b>14</b>	<b>18</b>	<b>86</b>	<b>100</b>

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Spain – España

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	3,077,264	337	35,622,147	2.31%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	1,098,356	198	7,504,052	0.02	0.13
Rural Development (RD)	1	120,000	244	7,344,877	0.01	0.60
<b>TOTAL</b>	<b>2</b>	<b>1,218,356</b>	<b>442</b>	<b>14,848,929</b>	<b>0.02</b>	<b>0.21</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	13	2,476,090	776	34,993,996	0.01	0.12
Rural Development (RD)	6	485,040	779	27,903,746	0.01	0.60
SA/RD	0	0	1	11,111		
<b>TOTAL</b>	<b>19</b>	<b>2,961,130</b>	<b>1,556</b>	<b>62,908,853</b>	<b>0.01</b>	<b>0.19</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>4</b>	<b>217,770</b>	<b>0</b>	<b>0</b>		
ERDF	4	217,770	0	0		
<b>Programming Period 2007-13 - cumulative</b>	<b>145</b>	<b>21,857,310</b>	<b>9,788</b>	<b>1,669,976,221</b>	<b>0.06</b>	<b>4.72</b>
CF	2	95,639	342	95,396,878	0.00	2.70
ERDF	139	19,692,720	8,662	1,495,046,030	0.09	6.53
ESF	3	333,844	591	57,834,599	0.00	0.73
EFF	1	1,735,107	193	21,698,714	0.17	2.16
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>8,832,781</b>		
ERDF	0	0	52	7,184,248		
ESF	0	0	29	1,309,760		
EMFF	0	0	1	338,773		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>20,025,638</b>	<b>0.00</b>	<b>0.17</b>
ERDF	0	0	90	14,364,659	0.00	0.17
ESF	0	0	85	5,322,206	0.00	0.17
EMFF	0	0	1	338,773	0.00	0.09

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
13	65	0	0	7	35	14
<b>Cohesion and Fisheries Policy</b>						
3	75	0	0	1	25	0

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

# COUNTRY FACTSHEETS

## France

### 1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	42	25,925,780	192	14,891,513	1.98%

### 2. Natural Resources

Fund	Irregularities reported in 2020				FDR	IDR
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent			
	N	EUR	N	EUR		
Support to agriculture (SA)	3	75,559	73	3,883,723	0.00	0.05
Rural Development (RD)	5	187,145	93	1,781,982	0.01	0.09
<b>TOTAL</b>	<b>8</b>	<b>262,704</b>	<b>166</b>	<b>5,665,705</b>	<b>0.00</b>	<b>0.06</b>

Fund	Irregularities reported 2016-2020				FDR	IDR
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent			
	N	EUR	N	EUR		
Support to agriculture (SA)	39	3,082,126	340	21,447,920	0.01	0.06
Rural Development (RD)	8	929,921	544	10,341,247	0.01	0.13
Blank	0	0	1	0		
<b>TOTAL</b>	<b>47</b>	<b>4,012,047</b>	<b>885</b>	<b>31,789,167</b>	<b>0.01</b>	<b>0.07</b>

### 3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>6</b>	<b>2,886,409</b>	<b>417</b>	<b>61,984,979</b>	<b>0.02</b>	<b>0.45</b>
ERDF	1	197,681	259	42,888,935	0.00	0.53
ESF	4	2,688,728	149	18,104,410	0.05	0.33
EFF	1	0	9	991,634	0.00	0.56
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>3</b>	<b>37,688</b>	<b>35</b>	<b>1,999,086</b>		
ERDF	3	37,688	29	1,626,823		
ESF	0	0	5	359,878		
EMFF	0	0	1	12,385		
<b>Programming Period 2014-20 - cumulative</b>	<b>12</b>	<b>9,561,041</b>	<b>209</b>	<b>27,421,723</b>	<b>0.13</b>	<b>0.38</b>
ERDF	10	9,362,842	123	18,845,838	0.23	0.47
ESF	2	198,199	75	7,464,314	0.01	0.25
EMFF	0	0	11	1,111,571	0.00	0.45

### 4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
10	50	0	0	10	50	30
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	1	100	100

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Croatia – Hrvatska

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	13	1,217,858	10	481,799	3.61%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	1	22,422	0.00	0.01
Rural Development (RD)	0	0	9	269,805	0.00	0.08
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>292,227</b>	<b>0.00</b>	<b>0.04</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	3	157,998	66	1,613,562	0.01	0.13
Rural Development (RD)	9	1,453,557	113	4,636,243	0.13	0.40
<b>TOTAL</b>	<b>12</b>	<b>1,611,555</b>	<b>179</b>	<b>6,249,805</b>	<b>0.07</b>	<b>0.26</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>904,778</b>		
ERDF	0	0	5	904,778		
<b>Programming Period 2007-13 - cumulative</b>	<b>4</b>	<b>2,184,460</b>	<b>50</b>	<b>9,554,245</b>	<b>0.28</b>	<b>1.23</b>
CF	0	0	18	2,368,121	0.00	0.85
ERDF	2	2,138,592	27	7,076,263	0.63	2.09
ESF	2	45,868	4	88,262	0.03	0.06
EFF	0	0	1	21,599	0.00	0.28
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>3</b>	<b>517,730</b>	<b>16</b>	<b>1,170,763</b>		
CF	0	0	3	507,029		
ERDF	3	517,730	9	558,720		
EMFF	0	0	4	105,014		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>1,570,541</b>	<b>95</b>	<b>18,699,584</b>	<b>0.05</b>	<b>0.56</b>
CF	0	0	22	3,512,133	0.00	0.54
ERDF	4	1,570,541	54	13,143,838	0.08	0.64
ESF	0	0	8	1,565,019	0.00	0.31
EMFF	0	0	11	478,594	0.00	0.44

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
<b>Cohesion and Fisheries Policy</b>						

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Italy – Italia

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	16	2,422,775	71	5,042,598	0.38%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	10	847,079	195	7,092,321	0.02	0.17
Rural Development (RD)	6	478,152	82	11,867,999	0.03	0.78
SA/RD	7	1,080,934	21	2,245,332		
<b>TOTAL</b>	<b>23</b>	<b>2,406,165</b>	<b>298</b>	<b>21,205,652</b>	<b>0.04</b>	<b>0.37</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	100	8,244,177	1,519	83,524,859	0.04	0.38
Rural Development (RD)	27	3,312,383	715	81,070,472	0.06	1.46
SA/RD	35	3,374,915	181	18,285,813		
<b>TOTAL</b>	<b>162</b>	<b>14,931,475</b>	<b>2,415</b>	<b>182,881,144</b>	<b>0.05</b>	<b>0.67</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>3</b>	<b>19,991,644</b>	<b>13</b>	<b>7,794,000</b>		
ERDF	3	19,991,644	11	7,752,536		
ESF	0	0	2	41,464		
<b>Programming Period 2007-13 - cumulative</b>	<b>83</b>	<b>117,352,483</b>	<b>1,846</b>	<b>375,548,425</b>	<b>0.44</b>	<b>1.40</b>
ERDF	51	106,546,837	1,568	351,200,954	0.54	1.77
ESF	8	1,914,637	262	22,916,848	0.03	0.34
EFF	24	8,891,009	16	1,430,623	2.77	0.45
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>138</b>	<b>28,411,794</b>		
ERDF	0	0	119	22,964,277		
ESF	0	0	19	5,447,517		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>214</b>	<b>36,031,103</b>	<b>0.00</b>	<b>0.28</b>
ERDF	0	0	163	29,595,617	0.00	0.36
ESF	0	0	50	6,398,265	0.00	0.14
EMFF	0	0	1	37,221	0.00	0.02

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
31	35	7	8	51	57	78
<b>Cohesion and Fisheries Policy</b>						
24	35	1	1	43	63	72

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Cyprus – Κύπρος

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>11</b>	<b>1,156,899</b>	<b>55</b>	<b>4,436,575</b>	<b>0.18</b>	<b>0.70</b>
CF	0	0	9	1,583,683	0.00	0.74
ERDF	5	871,328	28	1,390,156	0.31	0.50
ESF	4	82,121	13	1,312,228	0.07	1.10
EFF	2	203,450	5	150,508	1.03	0.76
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>1</b>	<b>126,260</b>	<b>1</b>	<b>12,139</b>		
ERDF	1	126,260	1	12,139		
<b>Programming Period 2014-20 - cumulative</b>	<b>1</b>	<b>126,260</b>	<b>7</b>	<b>526,141</b>	<b>0.03</b>	<b>0.13</b>
CF	0	0	2	268,481	0.00	0.19
ERDF	1	126,260	3	83,088	0.07	0.05
ESF	0	0	2	174,572	0.00	0.23

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
0	0	0	0	1	100	100
<b>Cohesion and Fisheries Policy</b>						
0	0	1	17	5	83	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF



Latvia – Latvija

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	12	773,635	16	721,002	3.11%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	1	24,592	0.00	0.01
Rural Development (RD)	5	294,096	8	162,528	0.20	0.11
<b>TOTAL</b>	<b>5</b>	<b>294,096</b>	<b>9</b>	<b>187,120</b>	<b>0.07</b>	<b>0.04</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	4	69,038	0.00	0.01
Rural Development (RD)	21	1,496,865	64	1,997,203	0.18	0.24
<b>TOTAL</b>	<b>21</b>	<b>1,496,865</b>	<b>68</b>	<b>2,066,241</b>	<b>0.07</b>	<b>0.10</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>2,865,094</b>		
CF	0	0	1	107,185		
ERDF	0	0	5	434,644		
EFF	0	0	3	2,323,265		
<b>Programming Period 2007-13 - cumulative</b>	<b>59</b>	<b>32,950,985</b>	<b>501</b>	<b>112,067,781</b>	<b>0.71</b>	<b>2.41</b>
CF	1	504	70	22,885,080	0.00	1.49
ERDF	49	32,638,666	381	78,025,094	1.36	3.24
ESF	8	127,497	33	5,868,007	0.02	1.01
EFF	1	184,318	17	5,289,600	0.15	4.24
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>18</b>	<b>2,842,954</b>	<b>21</b>	<b>740,312</b>		
CF	0	0	1	64,594		
ERDF	13	2,197,711	16	542,124		
ESF	3	194,172	3	122,775		
EMFF	2	451,071	1	10,819		
<b>Programming Period 2014-20 - cumulative</b>	<b>29</b>	<b>12,218,481</b>	<b>50</b>	<b>2,677,091</b>	<b>0.51</b>	<b>0.11</b>
CF	1	1,041,151	8	1,038,199	0.16	0.16
ERDF	20	10,309,704	32	1,390,768	0.75	0.10
ESF	5	311,372	5	149,138	0.10	0.05
EMFF	3	556,254	5	98,986	0.84	0.15

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
2	22	4	44	3	33	33
<b>Cohesion and Fisheries Policy</b>						
6	18	7	21	21	62	62

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Lithuania – Lietuva

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	41	4,313,364	25	900,673	4.16%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	28	615,665	0.00	0.13
Rural Development (RD)	1	76,103	59	2,174,075	0.04	1.14
<b>TOTAL</b>	<b>1</b>	<b>76,103</b>	<b>87</b>	<b>2,789,740</b>	<b>0.01</b>	<b>0.41</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	42,299	158	3,457,505	0.00	0.15
Rural Development (RD)	22	3,716,955	396	17,342,425	0.37	1.70
<b>TOTAL</b>	<b>23</b>	<b>3,759,254</b>	<b>554</b>	<b>20,799,930</b>	<b>0.11</b>	<b>0.62</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>676,236</b>		
ERDF	0	0	3	575,900		
EFF	0	0	4	100,336		
<b>Programming Period 2007-13 - cumulative</b>	<b>15</b>	<b>1,859,994</b>	<b>571</b>	<b>126,598,741</b>	<b>0.03</b>	<b>1.85</b>
CF	5	773,507	188	80,998,007	0.03	3.51
ERDF	5	526,379	325	42,372,442	0.02	1.23
ESF	5	560,108	31	1,322,177	0.05	0.13
EFF	0	0	27	1,906,115	0.00	3.59
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>158</b>	<b>9,890,396</b>		
CF	0	0	10	788,915		
ERDF	0	0	142	8,807,824		
ESF	0	0	6	293,657		
<b>Programming Period 2014-20 - cumulative</b>	<b>6</b>	<b>430,849</b>	<b>250</b>	<b>24,602,544</b>	<b>0.01</b>	<b>0.60</b>
CF	0	0	51	5,485,322	0.00	0.38
ERDF	0	0	189	18,763,987	0.00	0.95
ESF	6	430,849	10	353,235	0.07	0.05

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
0	0	0	0	1	100	0
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	9	100	67

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Luxembourg

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	0	0	1	39,266	0.00	0.07
SA/RD	1	15,857	0	0		
<b>TOTAL</b>	<b>1</b>	<b>15,857</b>	<b>1</b>	<b>39,266</b>	<b>0.01</b>	<b>0.02</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>210,788</b>	<b>0.00</b>	<b>0.42</b>
<i>ESF</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>210,788</i>	<i>0.00</i>	<i>0.84</i>

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
0	0	0	0	1	100	100
<b>Cohesion and Fisheries Policy</b>						

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Hungary - Magyarország

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	5	175,744	62	17,131,711	7.82%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	17	566,884	0.00	0.04
Rural Development (RD)	2	41,967	89	2,220,374	0.01	0.39
<b>TOTAL</b>	<b>2</b>	<b>41,967</b>	<b>106</b>	<b>2,787,258</b>	<b>0.00</b>	<b>0.15</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	10	1,014,798	147	10,659,983	0.02	0.16
Rural Development (RD)	27	2,671,481	487	18,059,529	0.14	0.97
<b>TOTAL</b>	<b>37</b>	<b>3,686,279</b>	<b>634</b>	<b>28,719,512</b>	<b>0.04</b>	<b>0.34</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>11,251,633</b>		
CF	0	0	3	362,623		
ERDF	0	0	106	10,889,010		
<b>Programming Period 2007-13 - cumulative</b>	<b>117</b>	<b>11,017,809</b>	<b>1,994</b>	<b>302,958,209</b>	<b>0.04</b>	<b>1.22</b>
CF	2	126,056	125	42,129,817	0.00	0.49
ERDF	102	9,753,835	1,588	224,417,910	0.08	1.78
ESF	13	1,137,918	270	35,822,392	0.03	1.00
EFF	0	0	11	588,090	0.00	1.76
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>52</b>	<b>9,733,004</b>	<b>79</b>	<b>10,159,680</b>		
CF	0	0	7	6,365,277		
ERDF	52	9,733,004	46	2,919,018		
ESF	0	0	25	859,687		
EMFF	0	0	1	15,698		
<b>Programming Period 2014-20 - cumulative</b>	<b>118</b>	<b>27,449,438</b>	<b>231</b>	<b>52,116,653</b>	<b>0.21</b>	<b>0.40</b>
CF	0	0	13	9,666,160	0.00	0.26
ERDF	118	27,449,438	168	24,564,148	0.41	0.36
ESF	0	0	49	17,870,647	0.00	0.69
EMFF	0	0	1	15,698	0.00	0.10

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
57	78	6	8	10	14	30
<b>Cohesion and Fisheries Policy</b>						
0	0	0	0	6	100	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Malta

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	0	0	1	27,024	0.17%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Rural Development (RD)	0	0	1	15,122	0.00	0.08
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>15,122</b>	<b>0.00</b>	<b>0.06</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	3	372,454	0.00	1.35
Rural Development (RD)	0	0	13	771,587	0.00	1.50
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>1,144,041</b>	<b>0.00</b>	<b>1.45</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>16</b>	<b>305,510</b>	<b>80</b>	<b>15,802,047</b>	<b>0.04</b>	<b>1.86</b>
CF	0	0	12	11,016,896	0.00	3.88
ERDF	16	305,510	48	4,216,267	0.07	0.95
ESF	0	0	20	568,884	0.00	0.51
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>343,939</b>		
ERDF	0	0	4	119,714		
ESF	0	0	1	185,784		
EMFF	0	0	2	38,441		
<b>Programming Period 2014-20 - cumulative</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>384,084</b>	<b>0.00</b>	<b>0.12</b>
ERDF	0	0	5	144,059	0.00	0.08
ESF	0	0	2	201,584	0.00	0.44
EMFF	0	0	2	38,441	0.00	0.32

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>100</b>	<b>100</b>
<b>Cohesion and Fisheries Policy</b>						
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>100</b>	<b>100</b>

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Netherlands - Nederland

**1. Traditional Own Resources**

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	1,365,540	423	29,944,418	0.79%

**2. Natural Resources**

Fund	Irregularities reported in 2020				
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR
	N	EUR	N	EUR	%
Support to agriculture (SA)	1	45,842	27	311,536	0.01
Rural Development (RD)	0	0	1	9,698	0.00
<b>TOTAL</b>	<b>1</b>	<b>45,842</b>	<b>28</b>	<b>321,234</b>	<b>0.01</b>

Fund	Irregularities reported 2016-2020				
	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR
	N	EUR	N	EUR	%
Support to agriculture (SA)	18	1,002,127	82	2,767,262	0.03
Rural Development (RD)	5	219,906	62	1,608,634	0.06
<b>TOTAL</b>	<b>23</b>	<b>1,222,033</b>	<b>144</b>	<b>4,375,896</b>	<b>0.03</b>

**3. Cohesion and Fisheries Policy**

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>15</b>	<b>4,324,984</b>	<b>429</b>	<b>36,913,611</b>	<b>0.26</b>	<b>2.19</b>
ERDF	2	209,943	242	20,301,458	0.03	2.45
ESF	13	4,115,041	56	10,534,163	0.50	1.28
EFF	0	0	131	6,077,990	0.00	17.17
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>289,962</b>		
ERDF	0	0	7	289,962		
ESF	1	0	0	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>2</b>	<b>9,000</b>	<b>15</b>	<b>637,008</b>	<b>0.00</b>	<b>0.11</b>
ERDF	0	0	13	440,999	0.00	0.19
ESF	1	0	1	177,390	0.00	0.06
EMFF	1	9,000	1	18,619	0.02	0.04

**4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)**

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
0	0	0	0	1	100	100

**Cohesion and Fisheries Policy**

--	--	--	--	--	--	--

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Austria – Österreich

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	120,165	44	1,909,935	0.77%

2. Natural Resources

Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	5	119,665	0.00	0.02
Rural Development (RD)	0	0	5	312,996	0.00	0.05
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>432,661</b>	<b>0.00</b>	<b>0.03</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	260,104	19	1,013,069	0.01	0.03
Rural Development (RD)	2	78,834	32	1,256,128	0.00	0.05
<b>TOTAL</b>	<b>4</b>	<b>338,938</b>	<b>51</b>	<b>2,269,197</b>	<b>0.01</b>	<b>0.04</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>8</b>	<b>1,542,060</b>	<b>317</b>	<b>25,101,311</b>	<b>0.14</b>	<b>2.22</b>
ERDF	7	1,531,149	259	21,819,458	0.24	3.48
ESF	1	10,911	57	3,264,208	0.00	0.65
EFF	0	0	1	17,645	0.00	0.34
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>2,651,088</b>		
ERDF	0	0	15	2,515,108		
ESF	0	0	4	54,037		
EMFF	0	0	1	81,943		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>88,632</b>	<b>38</b>	<b>3,855,141</b>	<b>0.02</b>	<b>0.85</b>
ERDF	0	0	30	3,678,799	0.00	1.80
ESF	5	88,632	7	94,399	0.04	0.04
EMFF	0	0	1	81,943	0.00	2.06

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
0	0	1	14	6	86	0
<b>Cohesion and Fisheries Policy</b>						
0	0	1	17	5	83	0

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF



Poland – Polska

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	33	1,255,654	92	10,494,247	1.19%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	206,283	56	32,576,658	0.01	0.95
Rural Development (RD)	3	111,155	224	8,261,924	0.01	0.68
SA/RD	1	45,603	0	0		
<b>TOTAL</b>	<b>6</b>	<b>363,041</b>	<b>280</b>	<b>40,838,582</b>	<b>0.01</b>	<b>0.88</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	84	63,336,266	174	92,568,658	0.36	0.53
Rural Development (RD)	117	10,497,059	899	40,088,380	0.25	0.96
SA/RD	2	133,346	0	0		
<b>TOTAL</b>	<b>203</b>	<b>73,966,671</b>	<b>1,073</b>	<b>132,657,038</b>	<b>0.34</b>	<b>0.62</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>1</b>	<b>26,014</b>	<b>24</b>	<b>7,011,001</b>		
ERDF	0	0	20	6,705,795		
ESF	1	26,014	0	0		
EFF	0	0	4	305,206		
<b>Programming Period 2007-13 - cumulative</b>	<b>325</b>	<b>425,921,620</b>	<b>5,576</b>	<b>1,356,602,905</b>	<b>0.63</b>	<b>2.00</b>
CF	8	169,309,554	202	261,692,648	0.76	1.17
ERDF	255	242,973,490	4,779	1,043,542,863	0.70	3.00
ESF	55	8,075,525	494	44,158,175	0.08	0.44
EFF	7	5,563,051	101	7,209,219	0.78	1.01
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>4</b>	<b>8,265,104</b>	<b>533</b>	<b>71,693,835</b>		
CF	1	3,471,391	24	7,808,986		
ERDF	2	4,761,737	327	48,443,293		
ESF	1	31,976	180	15,164,359		
EMFF	0	0	2	277,197		
<b>Programming Period 2014-20 - cumulative</b>	<b>90</b>	<b>51,726,274</b>	<b>1,291</b>	<b>200,358,115</b>	<b>0.11</b>	<b>0.44</b>
CF	1	3,471,391	77	14,113,226	0.02	0.10
ERDF	48	38,525,075	795	155,929,271	0.16	0.65
ESF	40	9,373,276	414	29,906,756	0.14	0.44
EMFF	1	356,532	5	408,862	0.15	0.17

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>31</b>	<b>22</b>	<b>24</b>	<b>17</b>	<b>89</b>	<b>62</b>	<b>39</b>
<b>Cohesion and Fisheries Policy</b>						
<b>35</b>	<b>28</b>	<b>14</b>	<b>11</b>	<b>78</b>	<b>61</b>	<b>88</b>

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Portugal

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	120,502	8	219,334	0.17%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	128,294	46	1,922,884	0.02	0.24
Rural Development (RD)	3	347,773	189	8,325,648	0.06	1.44
Blank	0	0	1	30,073		
<b>TOTAL</b>	<b>4</b>	<b>476,067</b>	<b>236</b>	<b>10,278,605</b>	<b>0.03</b>	<b>0.75</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	10	594,333	192	6,772,007	0.02	0.18
Rural Development (RD)	22	7,000,791	1,507	80,395,843	0.26	3.01
Blank	0	0	1	30,073		
<b>TOTAL</b>	<b>32</b>	<b>7,595,124</b>	<b>1700</b>	<b>87,197,923</b>	<b>0.12</b>	<b>1.34</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>3</b>	<b>12,737,988</b>	<b>2</b>	<b>596,494</b>		
ERDF	2	8,584,655	2	596,494		
ESF	1	4,153,333	0	0		
<b>Programming Period 2007-13 - cumulative</b>	<b>62</b>	<b>166,708,858</b>	<b>1,255</b>	<b>185,423,360</b>	<b>0.77</b>	<b>0.86</b>
CF	1	91,452	75	7,249,585	0.00	0.24
ERDF	23	104,876,946	693	145,628,563	0.91	1.27
ESF	24	60,805,596	361	16,364,948	0.89	0.24
EFF	14	934,864	126	16,180,264	0.43	7.47
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>13</b>	<b>2,447,021</b>	<b>50</b>	<b>7,735,814</b>		
CF	0	0	5	592,103		
ERDF	0	0	33	6,153,035		
ESF	13	2,447,021	5	168,692		
EMFF	0	0	7	821,984		
<b>Programming Period 2014-20 - cumulative</b>	<b>17</b>	<b>4,759,828</b>	<b>127</b>	<b>15,406,392</b>	<b>0.04</b>	<b>0.12</b>
CF	0	0	6	1,117,544	0.00	0.08
ERDF	1	2,168,010	71	9,737,112	0.03	0.14
ESF	14	2,462,370	34	2,251,001	0.06	0.05
EMFF	2	129,448	16	2,300,735	0.07	1.23

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
0	0	0	0	1	100	0
<b>Cohesion and Fisheries Policy</b>						
1	9	0	0	10	91	0

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Romania – România

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	9	255,441	36	2,908,386	1.38%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	91	2,897,760	113	3,982,778	0.15	0.20
Rural Development (RD)	56	12,951,940	423	24,225,198	1.13	2.10
SA/RD	1	696,043	0	0		
<b>TOTAL</b>	<b>148</b>	<b>16,545,743</b>	<b>536</b>	<b>28,207,976</b>	<b>0.53</b>	<b>0.90</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	304	11,515,925	611	61,410,063	0.13	0.68
Rural Development (RD)	244	53,067,527	1,455	102,944,079	0.90	1.74
SA/RD	1	696,043	0	0		
<b>TOTAL</b>	<b>549</b>	<b>65,279,495</b>	<b>2066</b>	<b>164,354,142</b>	<b>0.44</b>	<b>1.10</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>11</b>	<b>20,834,143</b>	<b>46</b>	<b>29,100,102</b>		
CF	0	0	8	421,276		
ERDF	11	20,834,143	10	18,218,896		
ESF	0	0	25	10,297,867		
EFF	0	0	3	162,063		
<b>Programming Period 2007-13 - cumulative</b>	<b>261</b>	<b>170,021,237</b>	<b>2,440</b>	<b>567,619,058</b>	<b>0.99</b>	<b>3.31</b>
CF	2	14,919,464	355	187,926,846	0.26	3.21
ERDF	171	139,502,486	1,161	280,955,764	1.71	3.45
ESF	82	13,107,130	821	73,883,167	0.44	2.46
EFF	6	2,492,157	103	24,853,281	1.47	14.67
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>76</b>	<b>129,215,796</b>	<b>238</b>	<b>40,034,088</b>		
CF	16	108,617,460	4	494,942		
ERDF	59	20,543,517	141	36,100,425		
ESF	1	54,819	90	3,388,887		
EMFF	0	0	3	49,834		
<b>Programming Period 2014-20 - cumulative</b>	<b>101</b>	<b>133,217,323</b>	<b>308</b>	<b>60,557,304</b>	<b>1.36</b>	<b>0.62</b>
CF	16	108,617,460	20	3,918,206	3.60	0.13
ERDF	84	24,545,044	185	47,991,324	0.55	1.08
ESF	1	54,819	97	8,485,443	0.00	0.37
EMFF	0	0	6	162,331	0.00	0.22

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
3	2	16	11	125	87	91
<b>Cohesion and Fisheries Policy</b>						
1	2	2	4	52	95	100

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Slovenia – Slovenija

1. Traditional Own Resources						
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR	
	N	EUR	N	EUR	%	
Established and estimated	7	1,358,807	14	562,463	1.97%	

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	1	56,252	0.00	0.04
Rural Development (RD)	1	103,152	7	609,039	0.08	0.48
<b>TOTAL</b>	<b>1</b>	<b>103,152</b>	<b>8</b>	<b>665,291</b>	<b>0.04</b>	<b>0.25</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	94,406	7	161,925	0.01	0.02
Rural Development (RD)	2	131,987	56	1,696,435	0.03	0.33
<b>TOTAL</b>	<b>4</b>	<b>226,393</b>	<b>63</b>	<b>1,858,360</b>	<b>0.02</b>	<b>0.15</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>31,159</b>		
ESF	0	0	1	31,159		
<b>Programming Period 2007-13 - cumulative</b>	<b>23</b>	<b>25,507,438</b>	<b>263</b>	<b>54,745,698</b>	<b>0.62</b>	<b>1.33</b>
CF	0	0	22	11,240,702	0.00	0.80
ERDF	14	25,243,627	182	39,342,553	1.31	2.03
ESF	9	263,811	57	3,750,457	0.03	0.50
EFF	0	0	2	411,986	0.00	2.06
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>3</b>	<b>560,574</b>	<b>8</b>	<b>1,009,254</b>		
CF	0	0	1	34,574		
ERDF	0	0	6	963,945		
ESF	3	560,574	1	10,735		
<b>Programming Period 2014-20 - cumulative</b>	<b>5</b>	<b>818,085</b>	<b>16</b>	<b>1,774,339</b>	<b>0.05</b>	<b>0.11</b>
CF	0	0	3	622,054	0.00	0.12
ERDF	1	118,130	6	963,945	0.02	0.13
ESF	4	699,955	7	188,340	0.17	0.05

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>0</b>	<b>0</b>	<b>4</b>	<b>31</b>	<b>9</b>	<b>69</b>	<b>11</b>
<b>Cohesion and Fisheries Policy</b>						
<b>7</b>	<b>54</b>	<b>1</b>	<b>8</b>	<b>5</b>	<b>38</b>	<b>100</b>

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Slovakia – Slovensko

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	40,608	6	124,729	0.17%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	2	26,939	4	159,604	0.01	0.03
Rural Development (RD)	1	435,931	19	749,982	0.23	0.39
SA/RD	2	848,621	5	1,149,738		
<b>TOTAL</b>	<b>5</b>	<b>1,311,491</b>	<b>28</b>	<b>2,059,324</b>	<b>0.20</b>	<b>0.31</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	4	45,257	19	383,817	0.00	0.02
Rural Development (RD)	10	1,577,826	125	8,740,703	0.18	1.00
SA/RD	6	1,154,762	19	2,602,839		
<b>TOTAL</b>	<b>20</b>	<b>2,777,845</b>	<b>163</b>	<b>11,727,359</b>	<b>0.09</b>	<b>0.38</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - reporting year 2020</b>	<b>9</b>	<b>886,808</b>	<b>28</b>	<b>71,538,426</b>		
CF	0	0	3	42,030,419		
ERDF	8	842,300	23	29,388,406		
ESF	1	44,508	1	29,113		
EFF	0	0	1	90,488		
<b>Programming Period 2007-13 - cumulative</b>	<b>163</b>	<b>102,183,153</b>	<b>1,459</b>	<b>967,494,783</b>	<b>0.93</b>	<b>8.78</b>
CF	16	33,163,464	134	365,567,892	0.88	9.66
ERDF	94	63,649,601	901	522,663,973	1.10	8.99
ESF	51	5,267,063	413	78,375,211	0.37	5.56
EFF	2	103,025	11	887,707	1.00	8.59
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>29</b>	<b>6,683,213</b>	<b>132</b>	<b>100,537,355</b>		
CF	6	2,449,278	23	62,453,615		
ERDF	6	3,499,392	93	31,683,236		
ESF	17	734,543	15	6,331,480		
EMFF	0	0	1	69,024		
<b>Programming Period 2014-20 - cumulative</b>	<b>61</b>	<b>881,929,121</b>	<b>302</b>	<b>382,519,008</b>	<b>15.06</b>	<b>6.53</b>
CF	28	287,181,125	72	270,528,388	13.68	12.89
ERDF	14	593,863,183	185	85,155,736	24.37	3.49
ESF	19	884,813	42	26,615,243	0.07	2.02
EMFF	0	0	3	219,641	0.00	11.79

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)						
Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>Natural resources</b>						
0	0	1	50	1	50	100
<b>Cohesion and Fisheries Policy</b>						
11	69	5	31	0	0	NA

*For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF*

Finland – Suomi-Finland

1. Traditional Own Resources					
Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	3	153,380	40	3,851,859	2.30%

2. Natural Resources						
Irregularities reported in 2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	8	97,993	0.00	0.02
Rural Development (RD)	0	0	1	0	0.00	0.00
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>97,993</b>	<b>0.00</b>	<b>0.01</b>

Irregularities reported 2016-2020						
Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	0	0	22	484,783	0.00	0.02
Rural Development (RD)	1	41,297	50	1,131,856	0.00	0.07
SA/RD	0	0	3	47,964		
<b>TOTAL</b>	<b>1</b>	<b>41,297</b>	<b>75</b>	<b>1,664,603</b>	<b>0.00</b>	<b>0.04</b>

3. Cohesion and Fisheries Policy						
Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>3</b>	<b>66,629</b>	<b>81</b>	<b>3,790,218</b>	<b>0.00</b>	<b>0.23</b>
ERDF	2	39,843	52	2,131,838	0.00	0.22
ESF	0	0	20	1,101,927	0.00	0.18
EFF	1	26,786	9	556,453	0.07	1.52
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>38,062</b>		
ERDF	0	0	2	27,662		
ESF	0	0	1	10,400		
<b>Programming Period 2014-20 - cumulative</b>	<b>1</b>	<b>425,525</b>	<b>28</b>	<b>1,349,114</b>	<b>0.05</b>	<b>0.15</b>
ERDF	1	425,525	17	1,010,522	0.09	0.21
ESF	0	0	7	119,341	0.00	0.04
EMFF	0	0	4	219,251	0.00	0.44

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio	N.	Ratio	N.	Ratio	of which OPEN
	%		%		%	%
<b>Natural resources</b>						
<b>Cohesion and Fisheries Policy</b>						
3	100	0	0	0	0	NA

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF

Sweden – Sverige

1. Traditional Own Resources

Reporting Year 2020	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		OWNRES / gross TOR
	N	EUR	N	EUR	%
Established and estimated	2	108,878	167	12,024,302	2.01%

Irregularities reported 2016-2020

Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
Support to agriculture (SA)	1	0	1	2,006,590	0.00	0.06
Rural Development (RD)	0	0	16	813,622	0.00	0.08
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>17</b>	<b>2,820,212</b>	<b>0.00</b>	<b>0.06</b>

3. Cohesion and Fisheries Policy

Period / Fund	Irregularities reported as fraudulent		Irregularities not reported as fraudulent		FDR	IDR
	N	EUR	N	EUR	%	%
<b>Programming Period 2007-13 - cumulative</b>	<b>4</b>	<b>66,797</b>	<b>147</b>	<b>8,105,895</b>	<b>0.00</b>	<b>0.49</b>
ERDF	2	29,027	85	5,086,551	0.00	0.56
ESF	2	37,770	48	2,562,390	0.01	0.37
EFF	0	0	14	456,954	0.00	0.88
<b>Programming Period 2014-20 - reporting year 2020</b>	<b>3</b>	<b>2,285,366</b>	<b>11</b>	<b>739,170</b>		
ERDF	1	21,659	5	243,915		
ESF	0	0	6	495,255		
EMFF	2	2,263,707	0	0		
<b>Programming Period 2014-20 - cumulative</b>	<b>4</b>	<b>2,588,916</b>	<b>39</b>	<b>2,787,271</b>	<b>0.27</b>	<b>0.30</b>
ERDF	1	21,659	12	569,680	0.00	0.10
ESF	1	303,550	26	1,220,090	0.09	0.35
EMFF	2	2,263,707	1	997,501	4.20	1.85

4. Follow-up to suspected fraud - Irregularities reported from 2007 to 2013 (programming period 2007-2013)

Dismissal		Established fraud		Pending		
N.	Ratio %	N.	Ratio %	N.	Ratio %	of which OPEN %
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>100</b>	<b>83</b>
<b>Cohesion and Fisheries Policy</b>						
<b>2</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>33</b>	<b>0</b>

For the explanation of the indicators used in this table see the Statistical Evaluation in annex to the 2020 PIF



## ANNEXES

## Annex 1

TOR: Total number of fraudulent and non-fraudulent cases with the related estimated and established amount 2016-2020										
MS	2016		2017		2018		2019		2020	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	214	15.181.143	223	23.726.124	261	22.290.296	377	34.960.519	385	56.320.962
BG	13	322.555	20	1.256.344	16	3.773.445	2	653.686	7	6.019.258
CZ	82	5.609.298	89	8.183.815	94	4.610.096	51	4.169.054	60	4.826.251
DK	79	12.286.871	58	2.419.684	54	7.319.715	66	3.394.299	65	5.320.906
DE	1.853	85.334.370	2.002	106.600.762	1.744	126.549.312	1.794	140.028.650	1.435	155.489.709
EE	9	1.303.483	5	322.079	9	642.408	7	605.861	8	1.120.169
IE	35	6.402.932	35	3.189.457	36	3.514.983	22	1.459.809	20	3.256.552
EL	46	16.636.362	48	15.154.453	42	7.953.756	60	4.424.358	81	7.193.827
ES	303	45.219.300	264	49.662.577	330	35.861.044	311	26.014.963	346	38.699.411
FR	346	45.501.303	299	25.730.078	296	95.776.554	300	28.868.434	234	40.817.293
HR	17	602.048	15	1.080.212	16	1.088.338	8	516.597	23	1.699.657
IT	112	13.603.174	145	19.031.678	104	10.377.350	162	14.396.398	87	7.465.374
CY	8	332.446	5	128.966	4	70.088	1	10.463	0	0
LV	33	4.069.905	12	555.952	20	1.396.206	25	1.018.410	28	1.494.637
LT	26	890.462	57	2.264.258	45	4.907.983	27	3.426.512	66	5.214.307
LU	5	176.523	5	162.959			1	111.376	0	0
HU	16	3.628.980	26	5.477.603	11	1.102.968	54	3.301.813	67	17.307.455
MT	2	320.682	2	366.319					1	27.024
NL	523	132.231.615	450	75.544.010	503	129.423.739	408	97.656.962	432	31.309.958
AT	61	11.400.786	56	7.337.055	48	2.199.340	47	4.956.013	47	2.030.099
PL	166	6.879.424	99	3.206.875	156	7.231.576	144	9.401.357	125	11.749.901
PT	17	6.609.241	38	5.457.304	37	9.398.614	26	1.691.698	11	339.836
RO	57	5.189.802	32	1.902.483	25	1.240.756	57	3.700.704	45	3.163.827
SI	2	146.875	13	507.746	15	1.019.068	10	503.267	21	1.921.271
SK	18	1.026.172	11	756.807	11	544.606	7	423.202	9	165.408
FI	40	2.385.846	31	1.894.518	32	2.945.510	58	8.260.213	43	4.005.239
SE	101	6.188.778	169	11.034.471	155	7.825.339	176	11.478.797	169	12.133.180
EU-27	4.184	429.480.374	4.209	372.954.588	4.064	489.063.088	4.201	405.433.415	3.815	419.091.509
UK	835	78.220.416	812	94.571.695	822	123.738.711	904	94.341.068	639	70.822.515
EU-27+ UK	5.019	507.700.790	5.021	467.526.283	4.886	612.801.799	5.105	499.774.483	4.454	489.914.024

## Annex 2

TOR: Total number of fraudulent cases with the related estimated and established amount 2016-2020										
MS	2016		2017		2018		2019		2020	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	41	9.336.714	28	13.990.000	41	16.064.238	113	21.137.443	106	46.735.745
BG	11	310.208	19	1.190.756	15	3.714.226	2	653.686	7	6.019.258
CZ	2	145.011	0	0	0	0	0	0	0	0
DK	5	8.575.264	1	87.991	2	167.671	2	146.494	4	179.576
DE	117	5.293.975	60	6.531.852	115	20.532.296	84	32.133.011	87	7.775.380
EE	4	71.272	4	310.930	4	568.102	5	505.284	6	1.032.346
IE	6	1.176.186	1	33.992	10	1.497.154	6	333.031	5	360.328
EL	39	16.113.752	37	14.834.859	32	6.662.449	13	2.317.039	24	3.039.308
ES	49	3.141.596	34	3.162.346	46	4.145.500	29	2.527.014	9	3.077.264
FR	92	25.897.931	98	10.961.652	61	80.334.585	49	6.273.248	42	25.925.780
HR	5	338.394	8	820.980	12	1.014.773	2	389.806	13	1.217.858
IT	22	6.704.311	23	2.243.030	38	5.763.881	30	2.192.421	16	2.422.775
CY	7	332.446	4	118.402	1	12.878	0	0	0	0
LV	17	951.906	8	359.109	9	1.103.972	15	735.101	12	773.635
LT	10	266.102	38	1.275.220	20	1.683.684	17	2.458.400	41	4.313.634
LU	0	0	0	0	0	0	0	0	0	0
HU	2	34.976	4	289.317	1	687.036	1	25.248	5	175.744
MT	2	320.682	2	366.319	0	0	0	0	0	0
NL	9	515.657	10	3.358.199	18	2.365.801	7	2.500.608	9	1.365.540
AT	14	1.764.776	7	5.625.470	4	147.356	6	1.049.233	3	120.165
PL	92	2.953.103	52	1.825.389	41	2.199.873	27	2.673.876	33	1.255.654
PT	1	5.299.535	7	908.214	4	1.643.054	6	1.065.765	3	120.502
RO	16	2.645.862	9	291.718	3	49.337	5	317.124	9	255.441
SI			4	171.727	8	405.956	2	64.994	7	1.358.807
SK	3	707.196			5	115.016	1	15.500	3	40.680
FI	6	119.457	4	68.254	5	267.571	4	226.260	3	153.380
SE	2	94.800	4	4.448.255	1	34.904	1	79.275	2	108.878
EU-27	574	93.111.112	466	73.273.983	496	151.181.314	427	79.819.860	449	107.827.677
UK	9	286.641	9	461.312	28	917.123	29	929.421	2	34.292
EU-27+UK	583	93.397.753	475	73.735.296	524	152.098.437	456	80.749.280	451	107.861.969

### Annex 3

TOR: Total number of non-fraudulent cases with the related estimated and established amount 2016-2020										
MS	2016		2017		2018		2019		2020	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
BE	173	5.844.428	195	9.736.124	220	6.226.058	264	13.823.076	279	9.585.217
BG	2	12.347	1	65.587	1	59.220	0	0	0	0
CZ	80	5.464.287	89	8.183.815	94	4.610.096	51	4.169.054	60	4.826.251
DK	74	3.711.607	57	2.331.693	52	7.152.044	64	3.247.805	61	5.141.329
DE	1.736	80.040.396	1.942	100.068.909	1.629	106.017.016	1.710	107.895.640	1.348	147.714.329
EE	5	1.232.211	1	11.149	5	74.306	2	100.577	2	87.823
IE	29	5.226.746	34	3.155.465	26	2.017.829	16	1.126.778	15	2.896.224
EL	7	522.610	11	319.594	10	1.291.307	47	2.107.319	57	4.154.520
ES	254	42.077.704	230	46.500.231	284	31.715.544	282	23.487.949	337	35.622.147
FR	254	19.603.372	201	14.768.426	235	15.441.969	251	22.595.186	192	14.891.513
HR	12	263.654	7	259.232	4	73.565	6	126.791	10	481.799
IT	90	6.898.863	122	16.788.648	66	4.613.469	132	12.203.977	71	5.042.598
CY	1	0	1	10.564	3	57.210	1	10.463	0	0
LV	16	3.117.998	4	196.843	11	292.235	10	283.309	16	721.002
LT	16	624.360	19	989.038	25	3.224.299	10	968.112	25	900.673
LU	5	176.523	5	162.959			1	111.376	0	0
HU	14	3.594.004	22	5.188.285	10	415.932	53	3.276.565	62	17.131.711
MT	0	0	0	0	0	0	0	0	1	27.024
NL	514	131.715.958	440	72.185.811	485	127.057.938	401	95.156.354	423	29.944.418
AT	47	9.636.010	49	1.711.585	44	2.051.983	41	3.906.780	44	1.909.935
PL	74	3.926.320	47	1.381.485	115	5.031.702	117	6.727.482	92	10.494.247
PT	16	1.309.706	31	4.549.090	33	7.755.560	20	625.934	8	219.334
RO	41	2.543.940	23	1.610.765	22	1.191.419	52	3.383.580	36	2.908.386
SI	2	146.875	9	336.019	7	613.112	8	438.273	14	562.463
SK	15	318.976	11	756.807	6	429.590	6	407.702	6	124.729
FI	34	2.266.388	27	1.826.264	27	2.677.938	54	8.033.953	40	3.851.859
SE	99	6.093.978	165	6.586.216	154	7.790.435	175	11.399.522	167	12.024.302
EU-27	3.610	336.369.261	3.743	299.680.605	3.568	337.881.774	3.774	325.613.555	3.366	311.263.832
UK	826	77.933.775	803	94.110.383	794	122.821.588	875	93.411.648	637	70.788.223
EU-27+UK	4.436	414.303.037	4.546	393.790.987	4.362	460.703.362	4.649	419.025.203	4.003	382.052.055

## Annex 4

## TOR: Financial impact of OWNRES cases as a percentage of the collected and made available TOR (gross) in 2020 per Member State

MS	Gross amount TOR collected (A-account)	All		Fraudulent		Non-fraudulent	
		OWNRES established and estimated amount	Percentage OWNRES/gross TOR	OWNRES established and estimated amount	Percentage OWNRES/gross TOR	OWNRES established and estimated amount	Percentage OWNRES/gross TOR
		EUR	%	EUR	%	EUR	%
		1	2=1/3	4	5=4/1	6	7=6/1
BE	2.408.988.774	56.320.962	2.34%	46.735.745	1.94%	9.585.217	0.40%
BG	109.035.871	6.019.258	5.52%	6.019.258	5.52%	0	0.00%
CZ	311.253.704	4.826.251	1.55%	0	0.00%	4.826.251	1.55%
DK	422.346.607	5.320.906	1.26%	179.576	0.04%	5.141.329	1.22%
DE	4.838.258.810	155.489.709	3.21%	7.775.380	0.16%	147.714.329	3.05%
EE	41.575.529	1.120.169	2.69%	1.032.346	2.48%	87.823	0.21%
IE	293.297.989	3.256.552	1.11%	360.328	0.12%	2.896.224	0.99%
EL	253.351.351	7.193.827	2.84%	3.039.308	1.20%	4.154.520	1.64%
ES	1.672.687.956	38.699.411	2.31%	3.077.264	0.18%	35.622.147	2.13%
FR	2.066.020.459	40.817.293	1.98%	25.925.780	1.25%	14.891.513	0.72%
HR	47.064.774	1.699.657	3.61%	1.217.858	2.59%	481.799	1.02%
IT	1.978.538.792	7.465.374	0.38%	2.422.775	0.12%	5.042.598	0.25%
CY	32.121.384	0	0.00%	0	0.00%	0	0.00%
LV	48.074.770	1.494.637	3.11%	773.635	1.61%	721.002	1.50%
LT	125.320.511	5.214.307	4.16%	4.313.634	3.44%	900.673	0.72%
LU	24.106.289	0	0.00%	0	0.00%	0	0.00%
HU	221.320.618	17.307.455	7.82%	175.744	0.08%	17.131.711	7.74%
MT	16.006.101	27.024	0.17%	0	0.00%	27.024	0.17%
NL	3.969.351.019	31.309.958	0.79%	1.365.540	0.03%	29.944.418	0.75%
AT	261.954.992	2.030.099	0.77%	120.165	0.05%	1.909.935	0.73%
PL	991.053.437	11.749.901	1.19%	1.255.654	0.13%	10.494.247	1.06%
PT	204.780.100	339.836	0.17%	120.502	0.06%	219.334	0.11%
RO	229.679.154	3.163.827	1.38%	255.441	0.11%	2.908.386	1.27%
SI	97.362.890	1.921.271	1.97%	1.358.807	1.40%	562.463	0.58%
SK	99.523.298	165.408	0.17%	40.680	0.04%	124.729	0.13%
FI	174.146.678	4.005.239	2.30%	153.380	0.09%	3.851.859	2.21%
SE	603.347.799	12.133.180	2.01%	108.878	0.02%	12.024.302	1.99%
EU-27	21.540.569.655	419.091.509	1.95%	107.827.677	0.50%	311.263.832	1.45%
UK	3.292.611.539	70.822.515	2.15%	34.292	0.00%	70.788.223	2.15%
EU-27+UK	24.833.181.193	489.914.024	1.97%	107.861.969	0.43%	382.052.055	1.54%

## Annex 5

MS	TOR: RRs per cut-off date					
	2019			2020		
	Established amount	Recovered amount	RR	Established amount	Recovered amount	RR
	EUR	EUR	%	EUR	EUR	%
1	2	3=2/1	1	2	3=2/1	
BE	32.636.238	27.718.668	85%	45.528.123	28.546.737	63%
BG	550.584	0	0%	6.019.258	3.727	0%
CZ	4.169.054	4.155.935	100%	4.826.251	2.901.094	60%
DK	3.394.299	3.291.416	97%	5.320.906	5.056.469	95%
DE	140.005.141	121.528.434	87%	155.489.709	144.033.854	93%
EE	184.683	129.213	70%	87.823	87.823	100%
IE	1.126.778	1.084.728	96%	2.896.224	1.900.601	66%
EL	3.512.960	707.029	20%	5.263.253	806.363	15%
ES	24.336.245	23.382.113	96%	38.419.720	34.803.675	91%
FR	27.929.696	20.490.459	73%	40.807.282	11.620.486	28%
HR	516.597	516.597	100%	637.848	600.238	94%
IT	13.944.435	6.919.366	50%	7.401.838	2.477.358	33%
CY	10.463	10.463	100%	0	0	0%
LV	595.354	271.627	46%	735.734	449.127	61%
LT	1.931.215	976.167	51%	908.208	825.707	91%
LU	111.376	111.376	100%	0	0	0%
HU	3.301.813	1.191.127	36%	17.307.455	974.490	6%
MT				27.024	27.024	100%
NL	97.617.535	24.442.760	25%	30.614.238	23.227.451	76%
AT	4.936.013	3.924.295	80%	2.030.099	1.133.762	56%
PL	8.211.426	6.287.496	77%	3.914.894	1.938.929	50%
PT	1.691.698	1.585.896	94%	339.836	339.836	100%
RO	3.696.819	2.716.816	73%	3.076.188	980.458	32%
SI	503.267	491.531	98%	1.921.271	1.178.251	61%
SK	407.702	407.702	100%	165.408	165.408	100%
FI	8.260.213	3.724.430	45%	3.881.344	2.965.426	76%
SE	11.478.797	10.371.580	90%	12.133.180	11.199.873	92%
EU-27	395.060.400	266.437.223	67%	389.753.112	278.244.166	71%
UK	93.386.024	49.161.078	53%	70.788.223	49.928.424	71%
EU-27 + UK	790.120.800	532.874.445	67%	460.541.335	328.172.590	71%

## Annex 6

## TOR: Estimated and established amount per customs procedure per Member State 2020

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	42.186.705	4.204.975	130.839		213.226	7.170.958	947.286	190.861	707.836	568.277
BG	6.019.258									
CZ						4.826.251				
DK	179.576					3.931.425		925.488		284.416
DE	7.512.179				263.201	139.368.136	1.149.689	1.566.641	5.123.983	505.881
EE					1.032.346	87.823				
IE					360.328	2.772.662			123.562	
EL	828.000				2.211.307	4.154.520				
ES	3.077.264					33.403.046	23.217	413.896	1.781.988	
FR	24.987.057				938.723	13.011.682	43.343	437.596	1.328.059	70.833
HR	198.543	445.419			573.896	481.799				
IT	2.142.005			280.770		4.944.550			27.017	71.031
CY										
LV	713.373				60.263	721.002				
LT	42.990		4.016.160		254.484	724.105		78.645		97.923
LU										
HU	175.744					17.131.711				
MT						27.024				
NL	1.170.556		42.415	152.569		20.455.802	391.450	666.458	8.402.910	27.798
AT	89.190				30.975	1.844.192				65.743
PL	858.906	132.860	263.888			10.355.934	76.101	46.498		15.714
PT	120.502					204.461	14.873			
RO	152.842	14.960	87.638			2.842.685				65.700
SI	1.358.807					484.564				77.899
SK	40.680					113.581	11.147			
FI	29.485				123.895	2.352.761		12.623	1.407.996	78.480
SE	108.878					10.990.082	154.154	63.593	789.743	26.729
EU-27	91.992.540	4.798.215	4.540.940	433.339	6.062.643	282.400.755	2.811.261	4.402.298	19.693.093	1.956.425
UK	34.292					53.475.862	80.760	62.184	17.169.417	
EU-27 + UK	92.026.832	4.798.215	4.540.940	433.339	6.062.643	335.876.618	2.892.021	4.464.482	36.862.510	1.956.425



## Annex 7

TOR: Customs procedure by number of cases per Member State 2020										
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	100	3	1		2	172	88	5	6	8
BG	7									
CZ						60				
DK	4					54		5		2
DE	79				8	1.242	51	24	21	10
EE					6	2				
IE					5	14			1	
EL	11				13	57				
ES	9					306	2	2	27	
FR	29				13	169	3	5	10	5
HR	5	7			1	10				
IT	15			1		69			1	1
CY										
LV	11				1	16				
LT	1		38		2	22		2		1
LU										
HU	5					62				
MT						1				
NL	7		1	1		321	46	28	27	1
AT	2				1	42				2
PL	25	2	6			86	4	1		1
PT	3					7	1			
RO	6	1	2			34				2
SI	7					13				1
SK	3					5	1			
FI	1				2	31		1	4	4
SE	2					156	3	3	4	1
EU-27	332	13	48	2	54	2.951	199	76	101	39
UK	2					569	2	1	65	
EU-27+UK	334	13	48	2	54	3.520	201	77	166	39

## Annex 8

### TOR: Method of detection by established and estimated amounts per Member state 2020

MS	Total	Fraudulent							Non-fraudulent						
		All	Release checks	Post-release checks	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other	All	Release checks	Post-release checks	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other
BE	56.320.962	46.735.745	3.307.899	2.034.226	40.795.834			597.786	9.585.217	4.814.411	3.385.676	174.035		461.484	749.612
BG	6.019.258	6.019.258		6.019.258					0						
CZ	4.826.251	0							4.826.251	158.700	3.966.872			700.680	
DK	5.320.906	179.576	179.576						5.141.329	1.569.267	2.568.513	256.408		168.513	578.629
DE	155.489.709	7.775.380	77.870	343.131	6.660.899	289.164	11.519	392.796	147.714.329	3.131.976	31.134.196	1.740.068	93.096.992	16.048.394	2.562.703
EE	1.120.169	1.032.346	1.032.346						87.823			87.823			
IE	3.256.552	360.328			360.328				2.896.224	13.330	184.797	2.045.273	246.113	396.484	10.227
EL	7.193.827	3.039.308	1.749.827	468.311	663.638			157.532	4.154.520	13.748	532.143	3.588.142			20.487
ES	38.699.411	3.077.264	10.981	734.761		2.331.522			35.622.147	12.586.939	4.257.822	596.357	15.936.451	1.916.145	328.433
FR	40.817.293	25.925.780	1.232.483	539.942	24.153.355				14.891.513	2.316.592	5.308.022	6.364.276		902.623	
HR	1.699.657	1.217.858	1.108.089	39.486	70.282				481.799		468.792	13.006			
IT	7.465.374	2.422.775	14.778	166.220	1.961.007			280.770	5.042.598	356.170	1.381.122	3.097.707		207.599	
CY	0	0							0						
LV	1.494.637	773.635	758.903	14.732					721.002		498.501		184.696	37.805	
LT	5.214.307	4.313.634		105.458	4.208.176				900.673	19.802	782.948	97.923			
LU	0	0							0						
HU	17.307.455	175.744		175.744					17.131.711	472.563	16.659.148				
MT	27.024	0							27.024		27.024				
NL	31.309.958	1.365.540	17.073	755.135			593.332		29.944.418	2.555.197	25.898.887	45.797		1.433.614	10.923
AT	2.030.099	120.165			16.472			103.693	1.909.935	140.614	1.543.905			118.673	106.742
PL	11.749.901	1.255.654	311.598	351.589	479.392		16.569	96.507	10.494.247	2.278.378	7.600.105	569.266			46.498
PT	339.836	120.502			120.502				219.334	120.688		98.646			
RO	3.163.827	255.441	74.869	26.445	154.127				2.908.386			2.908.386			
SI	1.921.271	1.358.807		40.372	1.318.435				562.463	266.062	195.068			101.333	
SK	165.408	40.680	29.151		11.529				124.729		108.039	16.689			
FI	4.005.239	153.380	153.380						3.851.859	2.999.226	165.728			686.905	
SE	12.133.180	108.878		108.878					12.024.302	125.418	10.808.131	173.847		916.907	
EU-27	419.091.509	107.827.677	10.058.823	11.923.687	80.973.977	2.620.686	621.420	1.629.084	311.263.832	33.939.080	117.475.438	21.873.649	109.464.252	24.097.159	4.414.254
UK	70.822.515	34.292	34.292						70.788.223		45.157.434			25.420.732	210.057
EU-27 + UK	489.914.024	107.861.969	10.093.115	11.923.687	80.973.977	2.620.686	621.420	1.629.084	382.052.055	33.939.080	162.632.872	21.873.649	109.464.252	49.517.891	4.624.311

## Annex 9

TOR: Method of detection by number of cases per Member State 2020															
MS	N	Fraudulent							Non-fraudulent						
		All	Release checks	Post-release checks	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other	All	Release checks	Post-release checks	Inspections by anti-fraud services	Tax audit	Voluntary admission	Other
BE	385	106	23	13	67			3	279	143	110	4		5	17
BG	7	7		7					0						
CZ	60	0							60	3	47			10	
DK	65	4	4						61	24	24	1		6	6
DE	1.435	87	3	6	71	1	1	5	1.348	71	720	13	193	336	15
EE	8	6	6						2			2			
IE	20	5			5				15	1	2	3	6	2	1
EL	81	24	7	8	3			6	57	1	8	47			1
ES	346	9	1	4		4			337	167	40	14	72	41	3
FR	234	42	18	14	10				192	57	72	45		18	
HR	23	13	9	2	2				10		9	1			
IT	87	16	1	6	8			1	71	12	27	26		6	
CY	0	0							0						
LV	28	12	11	1					16		11		3	2	
LT	66	41		2	39				25	1	23	1			
LU	0	0							0						
HU	67	5		5					62	10	52				
MT	1	0							1		1				
NL	432	9	1	6			2		423	111	264	1		46	1
AT	47	3			1			2	44	3	31			8	2
PL	125	33	7	18	5		1	2	92	16	57	18			1
PT	11	3			3				8	5		3			
RO	45	9	1	2	6				36			36			
SI	21	7		1	6				14	4	6			4	
SK	9	3	2		1				6		5	1			
FI	43	3	3						40	29	6			5	
SE	169	2		2					167	6	121	3		37	
EU-27	3.815	449	97	97	227	5	4	19	3.366	664	1.636	219	274	526	47
UK	639	2	2						637		357			279	1
EU-27+UK	4.454	451	99	97	227	5	4	19	4.003	664	1.993	219	274	805	48

## Annex 10

TOR: RRs per Member State 2020						
MS	Fraudulent			Non-fraudulent		
	Established amount, EUR	Recovered amount, EUR	RR, %	Established amount, EUR	Recovered amount, EUR	RR, %
	1	2	3=2/1	4	5	6=5/4
BE	35.987.977	21.804.403	61%	9.540.146	6.742.334	71%
BG	6.019.258	3.727	0%			
CZ				4.826.251	2.901.094	60%
DK	179.576	137.196	76%	5.141.329	4.919.272	96%
DE	7.775.380	4.059.470	52%	147.714.329	139.974.383	95%
EE	0	0	#DIV/0!	87.823	87.823	100%
IE	0	0		2.896.224	1.900.601	66%
EL	1.108.734	390.642	35%	4.154.520	415.721	10%
ES	3.077.264	1.001.242	33%	35.342.456	33.802.433	96%
FR	25.915.769	1.910.942	7%	14.891.513	9.709.544	65%
HR	156.049	156.049	100%	481.799	444.188	92%
IT	2.411.326	55.350	2%	4.990.511	2.422.008	49%
CY	0	0	0%	0	0	0%
LV	14.732	14.732	100%	721.002	434.395	60%
LT	105.458	105.458	100%	802.750	720.249	90%
LU	0	0	0%	0	0	0%
HU	175.744	0	0%	17.131.711	974.490	6%
MT		0	0%	27.024	27.024	100%
NL	1.365.540	772.916	57%	29.248.698	22.454.535	77%
AT	120.165	103.693	86%	1.909.935	1.030.069	54%
PL	858.906	502.711	59%	3.055.987	1.436.218	47%
PT	120.502	120.502	100%	219.334	219.334	100%
RO	167.803	103	0%	2.908.386	980.355	34%
SI	1.358.807	704.839	52%	562.463	473.412	84%
SK	40.680	40.680		124.729	124.729	100%
FI	29.485	718	2%	3.851.859	2.964.708	77%
SE	108.878	59.332	54%	12.024.302	11.140.541	93%
EU-27	87.098.032	31.944.706	37%	302.655.080	246.299.461	81%
UK	0	0		70.788.223	49.928.424	71%
EU-27+UK	87.098.032	31.944.706	37%	373.443.303	296.227.884	79%

## Annex 11

TOR: Examination of write-off cases in 2020											
MS	Acceptance		Reference to Article 13(2) rejected		Additional information request (AI)		Not appropriate		Total cases*	Cases assessed twice (AI)	Total (amounts not counted twice)
	N	EUR	N	EUR	N	EUR	N	EUR	N	N	EUR
BE	-	-	7	1.212.591	-	-	-	-	7	-	1.212.591
DK	-	-	-	-	3	695.056	-	-	3	-	695.056
DE	9	3.426.866	29	13.618.673	5	1.096.966	-	-	43	9	18.142.505
EL	-	-	3	1.137.098	2	1.036.413	-	-	5	-	2.173.511
ES	1	166.535	8	7.324.357	2	665.213	-	-	11	1	8.156.105
FR	-	-	1	98.581	2	178.177	-	294	3	2	277.052
IT	3	4.358.623	9	9.162.253	9	5.015.932	1	60.276	22	4	18.597.084
CY	-	-	1	74.444	-	-	-	-	1	-	74.444
LV	2	890.440	3	1.150.783	-	-	-	-	5	1	2.041.222
LT	-	-	-	-	1	1.178.576	-	-	1	-	1.178.576
NL	3	658.149	5	7.459.921	-	-	-	-	8	-	8.118.070
AT	-	-	1	1.305.392	3	6.581.711	-	-	4	-	7.887.103
PL	-	-	1	446.891	-	-	-	519	1	-	447.409
RO	1	775.726	4	1.367.618	3	2.012.053	6	557.364	14	1	4.712.761
SI	-	-	-	-	1	185.164	-	-	1	1	185.164
SE	-	-	2	1.776.822	1	103.724	-	-	3	-	1.880.547
EU-27	19	10.276.338	74	46.135.424	32	18.748.984	7	618.453	132	19	75.779.199
UK	-	-	-	-	2	303.858	-	-	2	-	303.858
EU-27+UK	19	10.276.338	74	46.135.424	34	19.052.842	7	618.453	134	19	76.083.057

## ANNEX 12

### *Classification of cases in relation to common agricultural policy expenditure*

This Annex describes the methodology adopted for classifying irregularities concerning the common agricultural policy (CAP) in the components ‘rural development’ (RD) and ‘support to agriculture’ (SA). The methodology also covers the classification of the SA irregularities in the two sub-components ‘market measures’ (MM) and ‘direct aid to farmers’ (DA).

For each irregularity related to the common agricultural policy, the competent national authorities should provide the following information in the irregularities management system (IMS):

Fund	Budget year	Budget line	Budget post	Budget article	Budget measure
The options are EAGF, EARDF, EAGF/EARDF		e.g. B050209/08/0000007	e.g. B050209	e.g. B050209/08	e.g. B050209/08/0000007

This methodology is based on the information included in the fields ‘Fund’, ‘Budget line’ and ‘Budget post’. Budget line and budget post are IMS terminology. In the current EU budget, reference is made to chapters (corresponding to the first part of the IMS budget post above) and articles (corresponding to the IMS budget post).

Cases are classified as:

- RD, where they concern only expenditure on IMS budget lines/posts that contain the codes '0504', 'B01-4' or 'B01-50'<sup>1</sup>. In addition, it has been considered that there are irregularities where the field 'Fund' refers to the EARDF (European Agriculture Rural Development Fund), even if the budget line/post is not specified.

This choice has been made because, since 2004, in the EU budget, expenditure on rural development has been grouped under the budget chapter 0504. Under this, the budget articles B050405 (as from 2007) and B050460 (as from 2014) refer to European Agricultural Fund for Rural Development (EAFRD) funding<sup>2</sup>.

Between 2000 and 2003, rural development was instead financed under budget chapter B01-40 (EAGGF Guarantee Section). The appropriations included in this chapter were intended to cover expenditure on two types of rural development measures: (1) accompanying measures introduced in 1992 supplemented by the less-favoured-areas scheme; and (2) modernisation and diversification schemes.

Before 2000, the EU budget had no explicit reference to rural development, but budget chapter B01-50 (EAGGF Guarantee Section) covered expenditure on accompanying measures, similar to chapter B01-40 in 2000-2003.

---

<sup>1</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the Budget line or the Budget post that are explicitly mentioned lead to classify the case in this category RD. In the category RD, also cases are included where the field 'Fund' is filled in as 'EAGF' and the budget line/post includes only RD budget codes.

<sup>2</sup> Budget chapter 504 is split in the following budget titles: 050401 'rural development in the EAGGF – Guarantee section' (later with the addition 'Completion of earlier programme 2000-2006'), 050402 'rural development in the EAGGF – Guidance section' (later with the addition 'Completion of earlier programme'), 050403 'Other measures', 050404 'Transitional instrument for the financing of rural development by the EAGGF – Guarantee section for the new MS' (later with the addition 'Completion of earlier programmes 2004-2006'), 050405 'rural development financed by EAFRD (2007-2013)' (from 2007. As from 2014, it becomes 'completion of ...'), 050460 'EAFRD (2014-2020)' (from 2014).

- SA, where the IMS budget line/post does not contain RD budget codes<sup>3</sup>. In addition, it has been considered that there are irregularities where the field 'Fund' refers to the European Agriculture Guarantee Fund (EAGF) and the budget line/post is not specified. For these cases, it is not clear whether this expenditure financed rural development (from the EAGGF – Guarantee Section) or SA. To find the best possible classification for these cases, the following assumption has been made. In 2007, the EARDF was created to finance all measures concerning rural development. Consequently, if the budget years associated to an irregularity are from 2007 onwards, it seems to be unlikely that this irregularity is related to rural development, so it is considered SA. If also the budget year is not mentioned, but the programming period mentioned in the relevant field is 2007-2013 or 2014-2020, the irregularity is considered SA. The other irregularities are classified as in the category 'Blank' (see below).

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

- 'SA/RD', where they concern both types of expenditure (RD and SA budget codes)<sup>4</sup>. In addition, it has been considered that there are irregularities where the field 'Fund' refers to 'EAGF/EARDF', but the budget line/post is not specified. For these cases, it is not clear whether this expenditure financed only rural development (before from the EAGGF – Guarantee Section and then from EARDF) or both rural development (EARDF) and SA (EAGF). To find the best possible classification for these cases, the following assumption has been made. In 2007, the EARDF was created to finance all measures concerning rural development. Consequently, if the budget years associate to an irregularity are from 2007 onwards only, it seems likely that there is also an SA component in the expenditure related to the irregularity (because EAGF is more likely to point to an SA item of expenditure) so the irregularity is considered 'SA/RD'. If also the budget year is not mentioned, but the programming period is 2007-2013 or 2014-2020, the irregularity is also considered 'SA/RD'. Other irregularities are classified as 'Blank'.
- 'Blank', where information has not been considered enough to assign the case to RD, SA or SA/RD<sup>5</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' (or 'direct aid').

In fact, since 2006, the EU budget provides for support to agriculture to be structured along two main budget chapters:<sup>6</sup>

- Budget chapter 0502 'interventions in agricultural markets';
- Budget chapter 0503 'direct aids'.

---

<sup>3</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF', but the budget line/post includes only SA budget codes.

<sup>4</sup> Most of these cases have the field 'Fund' filled in as 'EAFRD/EAGF' and the budget line/post includes both SA and RD budget codes.

<sup>5</sup> See above.

<sup>6</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).



For the purpose of the analysis in Section 3 'Common agricultural policy', cases are classified as:

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

Cases concerning only expenditure in 2005 (budget year) or before are not considered 'market measures' or 'direct payments'. Before 2006, the EU budget had a different structure:

- In 2004 and 2005, the budget chapters 0502 and 0503 referred respectively to 'Plant products' and 'Animal products';
- Before 2004, budget subsection B01 covered the Guarantee Section of the EAGG fund and was split, among others<sup>7</sup>, in:
  - B01-1 'Plant products';
  - B01-2 'Animal products'.

---

<sup>7</sup> B01-3 covered "Ancillary expenditure", B01-6 "Monetary reserve".

## ANNEX 13

### *Categories of irregularities and related types*

This Annex shows the types of violations in the IMS and how they are grouped in categories. These categories are used in used in Tables NR10-NR13 (Section 3).

In Section 4 (Tables CP9, CP10, CP14), other categories are used, 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, T41, T16/08
- State aid: T50

Code	Category	Type
T11	Request	T11/00: Incorrect or incomplete request for aid T11/01: False or falsified request for aid T11/02: Product, species, project and/or activity not eligible for aid T11/03: Incompatible cumulation of aid T11/04: Several requests for the same product, species, project and/or activity T11/99: Other
T12	Beneficiary	T12/00: Incorrect identity operator/beneficiary T12/01: Non-existent operator/beneficiary T12/02: Misdescription of the holding T12/03: Operator/beneficiary not having the required quality T12/99: Other
T13	Accounts and records	T13/00: Incomplete accounts T13/01: Incorrect accounts

		<p>T13/02: Falsified accounts</p> <p>T13/03: Accounts not presented</p> <p>T13/04: Absence of accounts</p> <p>T13/05: Calculation errors</p> <p>T13/06: Revenues not declared</p> <p>T13/99: Other</p>
T14	Documentary proof	<p>T14/00: Documents missing and/or not provided</p> <p>T14/01: Documents incomplete</p> <p>T14/02: Documents incorrect</p> <p>T14/03: Documents provided too late</p> <p>T14/04: Documents false and/or falsified</p> <p>T14/99: Other</p>
T15	Product, species and/or land	<p>T15/00: Over or under production</p> <p>T15/01: Inexact composition</p> <p>T15/02: Inexact origin</p> <p>T15/03: Inaccurate value</p> <p>T15/04: Inexact quantity</p> <p>T15/05: Variation in quality or content</p> <p>T15/06: Quantities outside permitted limits, quotas, thresholds</p> <p>T15/07: Unauthorised substitution or exchange</p> <p>T15/08: Unauthorised addition or mixture</p> <p>T15/09: Unauthorised use</p> <p>T15/10: Falsification of the product</p> <p>T15/11: Incorrect storage or handling</p> <p>T15/12: Fictitious use or processing</p> <p>T15/13: Incorrect classification (incl. incorrect tariff heading)</p> <p>T15/14: Overdeclaration and/or declaration of fictitious product, species and/or land</p> <p>T15/99: Other</p>
T16	(Non-)action	<p>T16/00: Action not implemented</p> <p>T16/01: Action not completed</p>

		<p>T16/02: Operation prohibited during the measure</p> <p>T16/03: Failure to respect deadlines</p> <p>T16/04: Irregular termination, sale or reduction</p> <p>T16/05: Absence of identification, marking, etc.</p> <p>T16/06: Refusal of control, audit, scrutiny etc.</p> <p>T16/07: Control, audit, scrutiny etc. not carried out in accordance with regulations, rules, plan etc.</p> <p>T16/08: Infringement of rules concerned with public procurement</p> <p>T16/09: Infringements with regard to the cofinancing system</p> <p>T16/10: Refusal to repay not spent or unduly paid amount</p> <p>T16/99: Other</p>
T17	Movement	<p>T17/00: Irregularities in connection with final destination (change of, non arrival at, etc.)</p> <p>T17/01: Fictitious movement</p> <p>T17/99: Other</p>
T18	Bankruptcy	<p>T18/00: Legal persons - liquidation</p> <p>T18/01: Legal persons - reorganisation to structure debt</p> <p>T18/02: Natural persons - repayment plan</p> <p>T18/03: Natural persons - repayment plan not possible</p> <p>T18/99: Other</p>
T19	Ethics and integrity	<p>T19/00: Conflict of interest</p> <p>T19/01: Bribery - passive</p> <p>T19/02: Bribery - active</p> <p>T19/03: Corruption</p> <p>T19/04: Corruption - passive</p> <p>T19/05: Corruption - active</p> <p>T19/99: Other irregularities concerning integrity and ethics</p>
T40 and T41	Public procurement	<p>T40/01: Lack of publication of contract notice</p> <p>T40/02: Artificial splitting of works/services/supplies contracts</p> <p>T40/03: Non-compliance with - time limits for receipt of tenders; or - time limits for receipt of requests to participate</p> <p>T40/03A: Non-compliance with time limits for receipt of tenders</p>

	<p>T40/03B: Non-compliance with time limits for receipt of requests to participate</p> <p>T40/04: Insufficient time for potential tenderers/candidates to obtain tender documentation</p> <p>T40/05: Lack of publication of -extended time limits for receipt of tenders; or - extended time limits for receipt of requests to participate</p> <p>T40/05A: Lack of publication of extended time limits for receipt of tenders</p> <p>T40/05B: Lack of publication of extended time limits for receipt of request 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 2009/81/EC specifically, inadequate justification for the lack of publication of a contract notice</p> <p>T40/08: Failure to state: - the selection criteria in the contract notice; and/or - the award criteria (and their weighting) in the contract notice or in the tender specifications</p> <p>T40/08A: Failure to state the selection criteria in the contract notice</p> <p>T40/08B: Failure to state the award criteria ( and their weighting) in the contract notice or in the tender specifications</p> <p>T40/09: Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents</p> <p>T40/09A: Unlawful and/or discriminatory selections criteria laid down in the contract notice or tender documents</p> <p>T40/09B: Unlawful and/or discriminatory award criteria laid down in the contract notice or tender documents</p> <p>T40/10: Selection criteria not related and proportionate to the subject-matter of the contract</p> <p>T40/11: Discriminatory technical specifications</p> <p>T40/12: Insufficient definition of the subject-matter of the contract</p> <p>T40/13: Modification of selection criteria after opening of tenders, resulting in incorrect acceptance of tenderers</p> <p>T40/14: Modification of selection criteria after opening of tenders, resulting in incorrect rejection of tenderers</p> <p>T40/15: Evaluation of tenderers/candidates using unlawful selection or award criteria</p> <p>T40/16: Lack of transparency and/or equal treatment during evaluation</p> <p>T40/17: Modification of a tender during evaluation</p> <p>T40/18: Negotiation during the award procedure</p> <p>T40/19: Negotiated procedure with prior publication of a contract notice with</p>
--	---

	<p>substantial modification of the conditions</p> <p>T40/20: Rejection of abnormally low tenders</p> <p>T40/21: Conflict of interest</p> <p>T40/22: Substantial modification of the contract elements set out in the contract notice or tender specifications</p> <p>T40/23: Reduction in the scope of the contract</p> <p>T40/24: Award of additional works/services/supplies contracts without competition</p> <p style="padding-left: 20px;">T40/24A: 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 extreme urgency brought about by unforeseeable events</p> <p style="padding-left: 20px;">T40/24B: Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in the absence of an unforeseen circumstance for complementary works, services, supplies</p> <p>T40/25: Additional works or services exceeding the limit laid down in the relevant provisions</p> <p>T40/50: Unjustified direct award (i.e. unlawful negotiated procedure without prior publication of a contract notice)</p> <p>T40/51: Lack of justification for not subdividing contract into lots</p> <p>T40/52: Failure to extend time limits for receipt of tenders where significant changes are made to the procurement documents</p> <p>T40/53: Restrictions to obtain tender documentation</p> <p>T40/54: Failure to extend time limits for receipt of tenders where, for whatever reason, additional information, although requested by the economic operator in good time, is not supplied at the latest six days before the time limit fixed for the receipt of tenders.</p> <p>T40/55: Non-compliance with the procedure established in the Directive for electronic and aggregated procurement</p> <p>T40/56: Failure to describe in sufficient detail the award criteria and their weighting.</p> <p>T40/57: Failure to communicate/publish clarifications/additional information (in relation to selection/award criteria or conditions for performance of contracts or technical specifications).</p> <p>T40/58: Unjustified limitation of sub-contracting</p> <p>T40/59: Selection criteria (or technical specifications) were incorrectly applied.</p> <p>T40/60: Evaluation of tenders using award criteria that are different from the ones stated in the contract notice or tender specifications</p> <p>T40/61: Evaluation using additional award criteria that were not published</p> <p>T40/62: Insufficient audit trail for the award of the contract</p>
--	---

	<p>T40/63: Irregular prior involvement of candidates/tenderers towards the contracting authority</p> <p>T40/64: Bid-rigging</p> <p>T40/99: Other</p> <p>T41/01A: Lack of publication of contract notice</p> <p>T41/01B: Unjustified direct award (i.e. unlawful negotiated procedure without prior publication of a contract notice)</p> <p>T41/02: Artificial splitting of works/services/supplies contracts</p> <p>T41/03: Lack of justification for not subdividing contract into lots</p> <p>T41/04A: Non-compliance with time limits for receipt of tenders</p> <p>T41/04B: Non-compliance with time limits for receipt of requests to participate</p> <p>T41/04C: Failure to extend time limits for receipt of tenders where significant changes are made to the procurement documents</p> <p>T41/05A: Insufficient time for potential tenderers/candidates to obtain tender documentation</p> <p>T41/05B: Restrictions to obtain tender documentation</p> <p>T41/06A: Lack of publication of extended time limits for receipt of tenders</p> <p>T41/06B: Failure to extend time limits for receipt of tenders</p> <p>T41/07A: Cases not justifying the use of a competitive procedure with negotiation</p> <p>T41/07B: Cases not justifying the use of a competitive dialogue</p> <p>T41/08: Non-compliance with the procedure established in the Directive for electronic and aggregated procurement</p> <p>T41/09A : Failure to publish in the contract notice the selection and/or award criteria (and their weighting)</p> <p>T41/09B : Failure to publish in the contract notice the conditions for performance of contracts or technical specifications.</p> <p>T41/09C : Failure to describe in sufficient detail the award criteria and their weighting</p> <p>T41/09D : Failure to communicate/publish clarifications/additional information.</p> <p>T41/10A : Use of criteria for exclusion, selection, award that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/10B : Use of conditions for performance of contracts that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/10C : Use of technical specifications that are discriminatory on the basis of unjustified national, regional or local preferences</p> <p>T41/11A : Use of criteria for exclusion, selection, award that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p>
--	---



	<p>T41/11B: Use of conditions for performance of contracts that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p> <p>T41/11C: Use of technical specifications that are not discriminatory in the sense of the previous type of irregularity but still restrict access for economic operators</p> <p>T41/12: Insufficient or imprecise definition of the subject-matter of the contract</p> <p>T41/13: Unjustified limitation of subcontracting</p> <p>T41/14A: Selection criteria (or technical specifications) were modified after opening of tenders.</p> <p>T41/14B: Selection criteria (or technical specifications) were incorrectly applied.</p> <p>T41/15A: Evaluation of tenders using award criteria that are different from the ones stated in the contract notice or tender specifications</p> <p>T41/15B: Evaluation using additional award criteria that were not published</p> <p>T41/16: Insufficient audit trail for the award of the contract</p> <p>T41/17A: Negotiation during award procedure</p> <p>T41/17B: Modification of the winning tender during evaluation</p> <p>T41/18: Irregular prior involvement of candidates/tenderers towards the contracting authority</p> <p>T41/19: Competitive procedure with negotiation, with substantial modification of the conditions set out in the contract notice or tender specifications</p> <p>T41/20: Unjustified rejection of abnormally low tenders</p> <p>T41/21: Conflict of interest</p> <p>T41/22: Bid-rigging</p> <p>T41/23A: Modification of the contract elements set out in the contract notice, not in compliance with the directives</p> <p>T41/23B: Modification of the contract elements set out in the tender specifications, not in compliance with the directives</p> <p>T41/70: For the award of contracts in the field of defence and security falling under directive 2009/81/EC specifically, inadequate justification for the lack of publication of a contract notice</p> <p>T41/71: Lack of transparency and/or equal treatment during evaluation</p> <p>T41/72: Award of additional works/services/supplies contracts (if such award constitutes a substantial modification of the original terms of the contract) without competition in the absence of the applicable conditions (extreme urgency brought about by unforeseeable events; an unforeseen circumstance for complementary works, services, supplies)</p> <p>T41/73: Additional works or services exceeding the limit laid down in the relevant provisions</p> <p>T41/99: Other</p>
--	---

T50	State aid	<p>T50/01: Failure to notify State Aid</p> <p>T50/02: Wrong aid scheme applied</p> <p>T50/03: Misapplication of the aid scheme</p> <p>T50/04: Monitoring requirements not fulfilled</p> <p>T50/05: Reference investment not taken into account in the applicable aid scheme</p> <p>T50/06: No consideration of revenue in the applicable aid scheme</p> <p>T50/07: No respect of the incentive effect of the aid</p> <p>T50/08: Aid intensity not respected</p> <p>T50/09: De Minimis threshold exceeded</p> <p>T50/99: Other State aid</p>
T90	Other	T90/99: Other irregularities

## ANNEX 14

### Abbreviations in the following tables

SA: Support to agriculture

RD: Rural development

SA/RD: Support to agriculture/ rural development

GUID: European Agricultural Guarantee and Guidance Fund – Section Guidance

EFF: European Fisheries Fund

EMFF: European Maritime and Fisheries Fund

CF: Cohesion Fund

ERDF: European Regional Development Fund

ESF: European Social Fund

AMIF: Asylum, Migration and Integration Fund

YEI: Youth Employment Initiative

HRD: pre-accession, Human Resources Development component

IPARD: Instrument for Pre-Accession Assistance in Rural Development

PHARE: Pre-accession assistance programme

REGD: pre-accession, Regional Development component

TAIB: Transition Assistance and Institution Building

TIPAA: Turkey Instrument for Pre-accession Assistance

CBC: pre-accession, Cross-Border Cooperation component

**Annex to the Statistical Evaluation -Irregularities reported by Member States and Beneficiary Countries in 2020**

*The number of irregularities reported measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures should not be interpreted as indicating the level of fraud in the Countries' territories.*

COUNTRIES	FUNDS/TYPE OF EXPENDITURE																			
	SA	RD	SA/RD	GUID	EFF	EMFF	CF	ERDF	ESF	AMIF	FEAD	ISF	YEI	EGF	CBC-IPA	HRD	IPARD	REGD	TAIB	CBC-ENI
AT	5	5	0	0	0	1	0	15	4	0	0	0	0	0	0	0	0	0	0	0
BE	9	17	0	0	0	0	0	15	8	0	7	0	0	0	0	0	0	0	0	0
BG	8	267	0	0	1	3	6	89	15	0	0	0	0	0	0	0	0	0	0	0
CY	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
CZ	10	36	0	0	0	6	43	97	51	0	0	0	2	0	0	0	0	0	0	0
DE	50	69	0	0	1	1	0	63	36	0	2	0	0	0	0	0	0	0	0	0
DK	3	13	0	0	0	3	0	1	1	0	0	0	0	0	0	0	0	0	0	0
EE	0	79	0	0	0	0	16	38	10	0	0	2	0	1	0	0	0	0	0	0
ES	199	245	0	0	0	1	0	56	29	28	1	0	0	0	0	0	0	0	0	0
FI	8	1	0	0	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0
FR	76	98	0	0	0	1	0	32	5	0	0	0	3	0	0	0	0	0	0	0
GR	56	193	0	0	0	0	0	7	8	2	3	0	1	0	0	0	0	0	0	0
HR	1	9	0	0	0	4	3	17	0	0	0	0	0	0	0	0	0	0	0	0
HU	17	91	0	0	0	1	10	204	25	0	0	1	0	0	0	0	0	0	0	0
IE	0	1	0	0	0	0	0	15	20	0	0	0	0	0	0	0	0	0	0	0
IT	205	88	28	3	0	0	0	133	21	0	0	0	0	0	0	0	0	0	0	0
LT	28	60	0	0	4	0	10	145	6	0	0	0	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	0	0
LV	1	13	0	0	3	3	2	34	6	0	0	0	0	0	0	0	0	0	0	0
MT	0	1	0	0	0	2	0	4	1	1	0	0	0	0	0	0	0	0	0	0
NL	28	1	0	0	0	0	0	7	1	0	0	0	0	0	0	0	0	0	0	0
PL	58	227	1	1	4	2	25	349	182	0	0	0	0	0	0	0	0	0	0	0
PT	47	192	1	0	0	7	5	37	19	0	0	0	0	0	0	0	0	0	0	0
RO	204	479	1	0	3	3	28	221	116	0	0	0	0	0	5	0	0	0	0	1
SE	0	0	0	0	0	2	0	6	6	1	1	0	0	0	0	0	0	0	0	0
SI	1	8	0	0	0	0	1	6	5	0	0	0	0	0	0	0	0	0	0	0
SK	6	20	7	0	1	1	32	130	34	0	0	0	0	0	0	0	0	0	0	0
UK	70	82	0	0	0	0	0	124	92	0	0	0	0	0	0	0	0	0	0	0
AL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	4	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	2	3	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2	0
TR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	68	0	2	0
<b>TOTAL</b>	<b>1,090</b>	<b>2,295</b>	<b>38</b>	<b>4</b>	<b>17</b>	<b>41</b>	<b>181</b>	<b>1,849</b>	<b>702</b>	<b>32</b>	<b>14</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>81</b>	<b>2</b>	<b>8</b>	<b>1</b>

**Annex to the Statistical Evaluation - Irregular amounts related to irregularities reported by Member States and Beneficiary Countries in 2020**

COUNTRIES	FUNDS/TYPE OF EXPENDITURE																			
	SA	RD	SA/RD	GUID	EFF	EMFF	CF	ERDF	ESF	AMIF	FEAD	ISF	YEI	EGF	CBC-IPA	HRD	IPARD	REGD	TAIB	CBC-ENI
AT	119,665	312,996	0	0	0	81,943	0	2,515,108	54,037	0	0	0	0	0	0	0	0	0	0	0
BE	221,951	300,118	0	0	0	0	0	825,862	240,624	0	303,661	0	0	0	0	0	0	0	0	0
BG	1,752,014	19,915,758	0	0	12,529	593,896	20,261,346	18,021,216	1,340,153	0	0	0	0	0	0	0	0	0	0	0
CY	0	0	0	0	0	0	0	138,399	0	0	0	0	0	0	0	0	0	0	0	0
CZ	169,270	917,507	0	0	0	561,553	4,489,471	10,018,145	1,504,611	0	0	0	154,513	0	0	0	0	0	0	0
DE	957,009	3,323,237	0	0	16,920	74,452	0	10,752,158	1,631,476	0	735,755	0	0	0	0	0	0	0	0	0
DK	53,560	892,474	0	0	0	124,969	0	12,152	20,493	0	0	0	0	0	0	0	0	0	0	0
EE	0	4,746,164	0	0	0	0	2,102,209	3,106,367	188,354	0	0	44,696	0	47,124	0	0	0	0	0	0
ES	8,602,408	7,464,877	0	0	0	338,773	0	7,402,018	1,309,760	941,881	48,160	0	0	0	0	0	0	0	0	0
FI	97,993	0	0	0	0	0	0	27,662	10,400	0	0	0	0	0	0	0	0	0	0	0
FR	3,959,282	1,969,127	0	0	0	12,385	0	1,664,511	359,878	0	0	0	104,499	0	0	0	0	0	0	0
GR	1,185,139	2,523,480	0	0	0	0	0	757,848	1,248,519	60,275	155,592	0	136,465	0	0	0	0	0	0	0
HR	22,422	269,805	0	0	0	105,014	507,029	1,981,228	0	0	0	0	0	0	0	0	0	0	0	0
HU	566,884	2,262,341	0	0	0	15,698	6,727,900	23,541,032	859,687	0	0	36,486	0	0	0	0	0	0	0	0
IE	0	10,978	0	0	0	0	0	394,543	1,479,229	0	0	0	0	0	0	0	0	0	0	0
IT	7,939,400	12,346,151	3,326,267	117,111	0	0	0	50,708,456	5,488,981	0	0	0	0	0	0	0	0	0	0	0
LT	615,665	2,250,178	0	0	100,336	0	788,915	9,383,724	293,657	0	0	0	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	0	0
LV	24,592	456,624	0	0	2,323,265	461,890	171,779	3,174,479	316,948	0	0	0	0	0	0	0	0	0	0	0
MT	0	15,122	0	0	0	38,441	0	119,714	185,784	16,483	0	0	0	0	0	0	0	0	0	0
NL	357,378	9,698	0	0	0	0	0	289,962	0	0	0	0	0	0	0	0	0	0	0	0
PL	32,782,941	8,373,079	45,603	42,167	305,206	277,197	11,280,378	59,910,825	15,222,349	0	0	0	0	0	0	0	0	0	0	0
PT	2,051,178	8,673,422	30,073	0	0	821,984	592,103	15,334,184	6,769,045	0	0	0	0	0	0	0	0	0	0	0
RO	6,880,538	37,177,138	696,043	0	162,063	49,834	109,533,678	95,696,981	13,741,573	0	0	0	0	239,782	0	0	0	0	0	42,755
SE	0	0	0	0	0	2,263,707	0	265,574	495,255	50,894	12,710	0	0	0	0	0	0	0	0	0
SI	56,252	712,191	0	0	0	0	34,574	963,945	602,468	0	0	0	0	0	0	0	0	0	0	0
SK	186,543	1,185,913	1,998,360	0	90,488	69,024	106,933,312	65,413,333	7,139,644	0	0	0	0	0	0	0	0	0	0	0
UK	1,944,932	1,918,372	0	0	0	0	0	3,614,209	9,100,433	0	0	0	0	0	0	0	0	0	0	0
AL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	49,526	0	0	0
MK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112,068	0	1,765,449	0
RS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,242	0	40,273	0
TR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,919,533	0	81,750	0
<b>TOTAL</b>	<b>70,547,016</b>	<b>118,026,750</b>	<b>6,096,346</b>	<b>159,278</b>	<b>3,010,807</b>	<b>5,890,760</b>	<b>263,422,694</b>	<b>386,033,635</b>	<b>69,603,358</b>	<b>1,069,533</b>	<b>1,255,878</b>	<b>81,182</b>	<b>395,477</b>	<b>47,124</b>	<b>239,782</b>	<b>0</b>	<b>6,107,369</b>	<b>0</b>	<b>1,887,472</b>	<b>42,755</b>