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COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

REPORT FROM THE COMMISSION

**SIXTH ANNUAL REPORT ON IMPLEMENTATION OF THE EUROPEAN
FISHERIES FUND (2012)**

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ANALYSIS PER MEMBER STATE

Belgium

The EFF OP covers the territory of Belgium which is designated as a non-convergence region (except Hainaut). Total eligible public expenditure of the OP amounts to EUR 48 239 502, out of which the EFF allocation amounts to EUR 26 261 648.

Allocation between priority axes in 2012: 44% for axis 1, 13% for axis 2, 30% for axis 3; 7% for axis 4 and 5% for axis 5.

Overall assessment: There is good progress in the implementation of the OP. The management and control system is functioning yet the 2012 ACR delivered a qualified opinion and the Commission had to reject the document on the basis of missing and incomplete information. The error rate reported by end 2012 was 3.9%.

In 2012, an EFF amount of EUR 2 921 550 was committed by the Member State and EUR 4 612 318 EFF expenditure was certified to the Commission.

Bulgaria

The OP covers the entire territory of Bulgaria which is designated as a convergence region. The total eligible public expenditure of the OP amounts to EUR 102 546 648, out of which the EFF allocation is EUR 75 876 747.

Allocation between priority axes: 10 % for axis 1, 45 % for axis 2, 25 % for axis 3, 15 % for axis 4 and 5 % for axis 5.

Overall assessment: In 2012 Bulgaria showed better progress in implementation of the OP which translated in higher commitments at national level but the payment rates remained low.

In 2012, an EFF amount of EUR 33 325 469 was committed by the Member State and EUR 12 225 681 was certified to the Commission. Until the end of 2012 in total the EFF amount of EUR 13 301 314.59 has been paid by the Commission (pre-financing of EUR 11 201 359.11 not included.)

The functioning of the management and control system for the EFF is considered as satisfactory (assessed as category 2.)

Czech Republic

The OP covers the entire territory of the Czech Republic with the exception of Prague region and is designated as a convergence region.

The total eligible OP public expenditure is EUR 36 142 234, out of which the EFF allocation is EUR 27 106 675.

Allocation between priority axes: almost equally distributed between Axis 2 and 3 (53% and 42% respectively) and 5% for Axis 5.

Overall assessment: good progress in implementation. According to an audit carried out by DG MARE in January 2013, the overall effectiveness of the management and control system has been classified in category 4: "Essentially does not work".

In 2012, an EFF amount of EUR 1 808 250 was committed by the Member State and EUR 4 751 403.43 was certified to the Commission.

Denmark

The OP covers the entire territory of Denmark which is designated as a non-convergence area.

Total eligible public expenditure amounts to EUR 238 840 272 out of which the EFF allocation is EUR 133 675 169.

Allocations between priority axes: 24.7% for axis 1, 17.4% for axis 2, 43.4% for axis 3, 11.9% for axis 4 and 2.6% for axis 5

Overall assessment: The OP has a satisfactory rate of implementation. Concerning the management and control system, the audit authority delivered for 2012 an unqualified opinion with a category 2 overall level of assurance: audits on operations resulted in a 4.06% projected error rate and a residual error rate of 1.11%.

In 2012, an EFF amount of EUR 20 284 263 was committed by the Member State and EUR 15 682 178.48 was certified to the Commission.

Germany

The OP covers the entire territory of Germany with the exception of the Länder Hamburg, Hesse, Rhineland-Palatinate and Saarland. The Länder Brandenburg, Mecklenburg-West Pomerania, Saxony, Saxony-Anhalt, Thuringia and the region of Luneburg in Lower Saxony are designated as convergence regions and the rest of the Länder as non-convergence regions.

The total eligible public expenditure amounts to EUR 233 668 166, out of which the EFF allocation is EUR 149 121 176.

Allocation between priority axes: 4.41% for axis 1, 34.04% for axis 2, 45.38% for axis 3, 14.04% for axis 4 and 2.12% for axis 5.

Overall assessment: The OP has a rather slow rate of implementation. The management and control system is functioning well and has been evaluated in the 2012 Annual Control Report as belonging to category "1" with error rates of 0.01% for the convergence area and 0.05% for non-convergence.

In 2012, an EFF amount of EUR 17 101 305 was committed by the Member State and EUR 19 607 714 was certified to the Commission.

Estonia

The OP covers the entire territory of Estonia which is designated as a convergence region.

Total eligible public expenditure of the OP amounts to EUR 112 757 386, out of which EFF allocation is EUR 84 568 039.

The allocation between priority axes: 18% for axis 1, 29% for axis 2; 25% for axis 3, 23% for axis 4 and 5% for axis 5.

Overall assessment: The programme implementation is running smoothly. For 2012, the audit authority delivered a qualified opinion with an overall assessment of category 3. The error rate reported was 3.46%, which gives grounds for reservation and interruption of payments in 2013. Aspects needing clarification which related to the implementation of Article 25.2 lead to further interruption of payments under this article in 2012.

In 2012, an EFF amount of EUR 11 117 908 was committed by the Member State and EUR 4 827 805 was certified to the Commission.

Ireland

The Irish OP covers the entire country which is designated as a non-convergence region.

Total public contribution amounts to EUR 65 681 039, out of which EFF allocation is EUR 42 266 603.

Allocation between priority axes: Following OP revision: 70.8% for axis 1, 14.8% for axis 2, 11.9% for axis 3, 1.9% for axis 4 and 0.6% for axis 5.

Overall assessment:

The OP implementation significantly improved compared with 2011. Progress is due to the broadening of the OP scope: measures in axis 2 have been introduced, as well as technical assistance support (axis 5), while the allocations for the remaining axes (1, 3 and 4) decreased. However, results are still expected for axis 4 where no project has been initiated yet.

In 2012, an amount of EUR 2 555 483 was committed by the Member State and EUR 96 217 was certified to the Commission (difference between the EFF amounts declared in the first cost declaration of 4.5.2010 and the second one of 22.2.2012).

No significant deficiencies were identified in the functioning of the management and control system. Moreover, in order to better address the changes in the OP, it has been updated. The annual control report and audit opinion were submitted in time and accepted by the Commission. The error rate calculated by the Audit Authority is 1.65% (regarding Axis 3).

Greece

Greece represents 4.83% of the total EFF amount. The OP covers the whole territory of Greece (the regions of Sterea Ellada and South Aegean are non-convergence regions (NCVG) while the rest of the country is a convergence region – CVG.)

The total public contribution amounts to EUR 274 105 143 out of which the EFF allocation is EUR 207 832 237 (EUR 176 836 728 for the 11 CVG regions and EUR 30 995 509 for the 2 NCVG.)

Allocation between priority axes: 37.18% was allocated to Axis 1, 28.72% to Axis 2, 15.55% to Axis 3, 16.02% to Axis 4, and 2.53% to Axis 5.

Overall assessment: The OP has made significant progress in terms of its implementation both at operational and financial level. The increase in the OP absorption rate, currently amounting to 50%, is also related to the use of the provisions laid under Regulation (EU) No 387/2012 allowing for a 10% top-up since the date (11 May 2010) the Intercreditor Agreement and the Loan Facility Agreement for Greece entered into force. The management and control system is functioning well (assessed as category 2.)

In 2012, an EFF amount of EUR 23 634 198.55 was committed by the Member State and EUR 26 878 883.21 was certified to the Commission. Until the end of 2012, in total, the EFF amount of EUR 104 004 503.55 has been paid (pre-financing of EUR 2 761 418.52 not included.)

Spain

The Spanish OP covers Galicia, Castilla-La Mancha, Extremadura, Andalucia, Principado de Asturias, Region de Murcia, and Ciudades autonomas de Ceuta y Melilla as convergence regions and the rest of the country as a non-convergence region.

Total public contribution amounts to EUR 2 115 720 056, out of which EFF allocation is EUR 1 131 890 912.

Allocation between priority axes: 41.9% for axis 1, 28.9% for axis 2, 22.8% for axis 3 and 4.7% for axis 4.

Overall assessment: The implementation of the OP slowed down in 2012 in the convergence area. In this area, total public expenditure certified in 2012 was 30% less than what had been certified in 2011 and the 2011 figure was already 40% lower than the 2010 figure. In the non-convergence area, after a 65% fall in 2011, in 2012 the total certified public expenditure increased but was still 20% lower than the 2010 amount. So far, the impact of the overall slow down in the implementation has been mitigated by the increase in the EU co-funding rates. These rates have however been set to their maximum amount end 2012.. By the end of 2012, 70% of the EFF amount was committed and 46% had been certified.

In 2012, an EFF amount of EUR 235 602 496.34 was committed by the Member State and EUR 179 810 719.16 was certified to the Commission (difference between the EFF amount declared in the 28.12.2012 cost declaration and the EFF amount declared in the 22/12/2011 cost declaration).

Commission's services analysed the functioning of management and control systems for each OP taking into account 15 different key regulatory requirements. By the end of 2012, the conclusion was "works partially; substantial improvements are needed". The Commission interrupted payment deadlines as soon as there was evidence to suggest a significant deficiency in the management and control system or when the Authorising Officers by Sub-Delegation have to carry out additional verifications. As a consequence, by the end of 2012 an amount of EUR 9 376 658.28 was interrupted.

France

The OP covers four convergence regions, Guadeloupe, Guyane, Martinique and Réunion (the DOMs) and the rest of the country designated as non-convergence region.

Current total public contribution amounts to EUR 562 950 450.06 (following 3rd OP modification on 04.05.2011 (C(2011)2935) out of which EFF allocation is EUR 216 053 084.

Allocation between priority axes: 30.1% for axis 1, 25.1% for axis 2, 41.0% for axis 3, 2.6% for axis 4 and 1.2% for axis 5.

Overall assessment: By the end of 2012, 68% of the EFF amount was committed and 41% had been certified to the Commission. In non-convergence regions implementation was very high for axis 1 (mainly for permanent and temporary cessation of fishing activities) while lagging behind for other axes. Implementation in convergence regions is very slow due to administrative delays, and the difficulties in identifying new projects and finding private funding.

In 2012, an EFF amount of EUR 20 791 821,00 was committed by the Member State and EUR 18 612 226,15 was certified to the Commission. On 15 february 2013 the 10th and 11th payment claims (31.225.930,41 €) received in December 2012 was interrupted as significant deficiencies were identified in the management and control system and the error rate (4,025%) was above 2%. The interruption was lifted on 15.03.2013.

Italy

The OP includes, Basilicata, Calabria, Campania, Puglia and Sicily as convergence regions and the rest of the country as a non-convergence area.

The total public contribution amounts to 848 685 708 out of which the EFF allocation is EUR 424 342 854 (EUR 318 281 864 for convergence regions and EUR 106 060 990 for non-convergence.)

Allocation between priority axes: 39% for axis 1, 25% for axis 2, 25.5% for axis 3, 5.5% for axis 4 and 5% for axis 5.

Overall assessment: Italy has a large programme with substantial allocation to axis 1 representing a major challenge for absorption. The complex management system whereby the regions manage their share of the OP, and delays in the implementation of Axis 3 and 4 contributed to the low rate of absorption in the earlier stage of the programme. Eventually, in 2012 the Regions managed to set up 43 FLAGs under Axis 4, although no expenditure was reported yet. Despite the economic crisis, Italy avoided de-commitment in 2012 mainly thanks to the high implementation rate of Axis 1. In general, measures managed by the central Managing authority and by non-convergence regions had better implementation rate than in convergence regions. It must be noted that due to serious deficiencies identified in the Management and Control System the Commission services did not reimburse any certified payment applications in 2012.

Until the end of 2012, an EFF amount of EUR 78 148 881.76 was committed by the Member State and EUR 59 016 195.95 was certified to the Commission.

Cyprus

Cyprus represents 0.46% of the total EFF amount. The OP covers the entire territory of the Republic of Cyprus which is designated as a non-convergence region. The total eligible public expenditure of the OP amounts to EUR 39 448 836, out of which the EFF allocation is EUR 19 724 418.

EFF allocation between priority axes: 31.18% for Axis 1, 13.18% for Axis 2, 48.03% for Axis 3, 5.07% for Axis 4, and 2.53% for Axis 5.

In 2012, the OP was modified in terms of its financial table (Commission Decision C (2012)8773 of 05.12.2012.)

Overall assessment: The OP progresses very well both in financial and operational terms. The Managing Authority has issued calls for expression of interest activating measures under all Priority Axes of the OP. There is no N+2 risk for de-commitment until the end of the programming period. The management and control system is functioning well (assessed as category 2.)

In 2012, the EFF amount of EUR 1 712 030.00 was committed by Cyprus and EUR 2 268 023 was certified to the Commission. Until the end of 2012, in total, the EFF amount of EUR 12 718 790 has been paid by the Commission (pre-financing of EUR 29 096 513.18 not included.)

Latvia

The OP covers the entire territory of the country which is designated as a whole as a convergence region.

Total eligible public expenditure of the OP for the whole programming period amounts to EUR 166 687 419, out of which EFF allocation is EUR 125 015 563.

Allocation between priority axes: 21% for axis 1, 42% for axis 2, 24% for axis 3, 9% for Axis 4 and 4% for Axis 5.

Overall assessment: The OP has a good execution rate and the implementation is running smoothly. The management and control system is functioning well; in the 2012 annual control report it has been evaluated as category "1" – functions well, only small improvements are necessary. The reported error rate was 1.18%.

In 2012, an EFF amount of EUR 23 364 703 was committed by the Member State and EUR 21 239 504 was certified to the Commission.

Lithuania

The OP covers the entire territory of the country which is designated as a convergence region.

Total public contribution in 2012 amounts to EUR 71 980 532 out of which EFF allocation is EUR 54 713 408.

Allocation between priority axes in 2012: 14% for axis 1, 51% for axis 2, 18% for axis 3, 12% for axis 4 and 5% for axis 5.

Overall assessment: The implementation of the programme is running smoothly, with considerable progress in priority axes 1 and 2 and some delays in axis 4 and 3. In the 2012 annual control report the management and control system received an unqualified opinion and has been evaluated as category "1". The reported error rate was 0%. In 2012, an EFF amount of EUR 12 453 342 was committed by the Member State and EUR 5 503 907 was certified to the Commission.

Hungary

The Hungarian OP covers Budapest area (Közép-Magyarország) as a non-convergence region and the rest of the country as a convergence region.

The total public contribution is EUR 46 678 241, out of which the EFF allocation is EUR 34 769 572 (EUR 34 291 357 for convergence regions and EUR 478 215 for the non-convergence region).

Allocation between priority axes: 79.5% for axis 2; 15.5% for axis 3 and 5.0% for axis 5.

Overall assessment: The OP rate of implementation is good for Axis 2, but rather slow for Axis 3. The management and control system is functioning well : in the annual control report it has been evaluated as category "1" – functions well, only small improvements are necessary. The reported error rate was 0%.

In 2012, an EFF amount of EUR 7 955 558 was committed by the Member State and EUR 8 574 578 was certified to Commission.

Malta

The OP covers the entire territory of the country which is designated as a whole as a convergence region.

The total public contribution amounts to EUR 11 163 105.00, out of which the EFF allocation is EUR 8 372 329.

Allocation between priority axes: 25.98% for axis 1, 20.4% for axis 2, 48.9% for axis 3, and 4.7% for axis 5.

Overall assessment: In Malta the EFF Operational Programme was implemented smoothly with significant progress made in Axis 1 – the objectives for de-commissioning BFT-vessels were largely exceeded. The most substantial project of the OP (nearly 27% of the whole OP budget), the new fish market, was finally launched after a long delay caused by environmental licensing and works are advancing; port installations were further up-graded.

No major difficulties are foreseen in the implementation of the Operational Programme.

In the beginning of the year the Managing Authority was shifted from the Resources (Fisheries) towards the Office of the Prime Minister where the administration of the Structural Funds is situated. This change led to a second modification of the Operational Programme.

In 2012, an EFF amount of EUR 5 298 418.06 was committed by the Member State, and expenditure of EUR 2 981 325.27 was certified to the Commission.

The budgetary Commitment for 2010 could be absorbed along with a comfortable margin of the slice for 2011 – no de-commitments had to be made so far.

The Management and Control System is functioning well (assessed as category 1.)

Until the end of 2012, in total, the EFF amount of EUR 2 981 325.27 has been paid (pre-financing of EUR 1 172 126.06 not included.)

The Netherlands

The OP covers the entire territory of the Netherlands which is designated as a whole as a non-convergence region. Total eligible public expenditure of the OP amounts to EUR 120 578 417, out of which the EFF allocation is EUR 48 578 417.

Allocation between priority axes: 35% for axis 1; 15% for axis 2; 35% for axis 3; 10% for axis 4 and 5% for axis 5.

Overall assessment: The OP has a satisfactory commitment rate but is lagging behind with payments because of slower than expected implementation, particularly in the context of innovative projects. The monitoring and control system is functioning. The reported error rate for 2012 was 1.24%.

In 2012, an EFF amount of EUR 6 877 667 was committed by the Member State and EUR 5 767 364 was certified to the Commission.

Austria

The Austrian Operational Programme covers the entire territory of Austria which is designated as a non-convergence region with one convergence region (Burgenland).

Total eligible public expenditure of the OP amounts to EUR 10 393 753, out of which the EFF allocation amounts to EUR 5 259 318, divided between the convergence (EUR 249 769 with EUR 187 326 EFF allocation) and non-convergence region (EUR 10 143 984 with EUR 5 071 992 EFF allocation).

The allocation is almost entirely focused on axis 2 (98%).

Overall assessment: There is very good progress in the implementation of the OP. The management and control system is functioning well and has been evaluated in the ACR 2012 as belonging to category "1" with error rates of 0.00% for the convergence area and 0.93% for non-convergence.

In 2012, an EFF amount of EUR 994 549 was committed by the Member State and EUR 707 931 was certified to the Commission.

Poland

The OP covers the entire territory of Poland which is designated as a whole as a convergence region.

The total eligible public expenditure amounts to EUR 978 790 099, out of which the EFF allocation is EUR 734 092 574.

Initially, the allocation between priority axes was 23% for axis 1, 20% for axis 2, 20% for axis 3, 32% for axis 4, and 5% for axis 5. Following an OP modification on 21 December 2011 (decision C(2011) 9964), the allocation between priority axes is as follows: 19.1% for axis 1, 22.2% for axis 2, 21.7% for axis 3, 32% for axis 4 and 5% for axis 5.

Overall assessment: The implementation level was further improving in 2012, notably in axes 2 and 4. With the annual control report for 2012, an unqualified opinion was issued and the system was assessed as category 2. The reported error rate was 0.01%.

In 2012, an EFF amount of EUR 155 113 584.50 was committed by the Member State and EUR 121 804 120.80 was certified to the Commission.

Portugal

The Portuguese OP includes Lisbon and the autonomous Region of Madeira as a non-convergence regions and the rest of the country as a convergence regions. Total public contribution amounts to EUR 325 790 279, out of which the EFF allocation is EUR 246 485 249.

Allocation between axes: 25.5% for axis 1, 30.10% for axis 2, 33.84% for axis 3, 7.06% for axis 4 and 3.5% for axis 5.

Overall assessment: The implementation of OP in 2012 faced serious difficulties due to the economic and financial crisis in which the country finds itself. Throughout the year, a slowdown of the program deepened due to the difficulties in the public finances, but also in access to credit by the private beneficiaries. The overall rate of commitment was 66% for convergence and 60% for non-convergence regions. The management and control system was accepted by the Commission.

In 2012, an EFF amount of EUR 160 595 062 was committed by the Member State and EUR 91 524 720.38 was certified to the Commission.

In 2012, no significant shortcomings were identified in the functioning of the management and control system. On the basis of the annual control report the Commission considers that the management and control systems meet the requirements set out in Article 61 (1) e) of Council Regulation (EC) N° 1198/2006. The total error rate calculated by the Audit Authority is 1.58%.

Romania

The Romanian OP covers the entire territory of the country which is designated as a whole as a convergence region.

The total eligible public expenditure of the programme amounts to EUR 307 527 525 out of which the EFF allocation is EUR 230 645 644, following the last modification of the OP with the Commission Decision C(2012)8772 of 04.12.2012. The allocation of the EFF funds between priority axes, following this last modification of the OP, is: 2.70% for axis 1, 53.64% for axis 2, 13% for axis 3, 23.40% for axis 4 and 7.26 % for axis 5.

Overall assessment: The OP is a large programme in financial terms if compared with the size of the fisheries sector; implementation of the OP in 2012 was marked by the interruption of payments that was initiated on 13 January 2012 following a negative Audit Report of the Romanian Audit Authority on the functioning of the management and control system, and lasted the entire year. Only at the end of the year did the MA manage to make significant progress in unblocking payments that ultimately resulted in resuming payments at mid-2013. Nevertheless, the end of 2012 was marked by a large de-commitment amounting EUR 22 354 716 - almost 10 % of the entire EFF allocation. The high turnover of personnel continued with a series of staff changes at hierarchical levels affecting the OP implementation at mid-2012.

Romania made some progress on Axis 4 in 2012, which led to the selection of 14 FLAGs at the beginning of 2012, though the rest of the year was lost for the FLAGs. The Romanian Ministry of Finance constantly refused to allow pre-financing for FLAGs though they are available under Leader for the Local Action Groups (LAGs), leaving the FLAGs alone to search for financial resources themselves. This situation was reconsidered by the Romanian authorities at the end of 2013.

Axis 2 continues to be the one with the most significant progress in implementation. Thus, considering the information provided in the Annual Implementation Report at the end of 2012, 140 financing requests were selected EUR 94,03 mil. were contracted and EUR 60,11 million were paid. The total absorption rate was around 36,76%. The indicators achieved so far exceeded the objectives set for 2013 in terms of production of aquaculture and the percentage of environmental friendly projects.

Until the end of 2012, a total amount of EUR 52 599 601.98 was committed by the Member State and EUR 49 109 010.52 was certified and requested to be paid by the Commission.

The Management and Control System is now assessed as Category 2.

Slovenia

The OP covers the entire territory of the country which is designated as a whole as a convergence region.

The total public contribution amounts to EUR 28 853 712, out of which the EFF allocation is EUR 21 640 283.

Allocation between priority axes: 10% for axis 1, 37% for axis 2, 35% for axis 3, 10% for axis 4 and 8% for axis 5.

Until the end of 2012, an EFF amount of EUR 15 052 121.87 was committed by the Member State, and expenditure of EUR 9 007 459.94 was certified to and paid by the Commission.

Slovenia continued its heavy investment in the up-grading of fishing harbours and gave widespread support to aquaculture be it in fresh- or seawater; Axes 1 and 4 were implemented to a large extent: a capacity reduction of over 35% in tonnage and nearly 17% in engine

power was performed. Almost 57% of the Axis 4 budget was committed and 32.5% paid to the beneficiaries.

Overall assessment: No major difficulties are foreseen in the implementation of the Operational Programme.

The Management and Control System remained unchanged (category 2.)

The budgetary Commitment for 2010 could be absorbed along with a comfortable margin of the slice for 2011 – no de-commitments had to be made so far.

Slovakia

The OP covers the entire territory of the country which is designated as a Convergence region, with the exception of Bratislava and surrounding districts in Non-Convergence.

The total OP public expenditure was reduced from EUR 18 922 750, applying the rule of automatic de-commitment to EUR 18 045 728, out of which EFF allocation is EUR 13 123 309.

Allocation between priority axes was also modified with this decision: 87% for axis 2, 8% for axis 3 and 5% for axis 5.

Overall assessment: The slow initial progress in the implementation improved during 2012. However, axis 3 and the non-convergence region continue to be a concern with very small commitment rates. Slovakia reported an error rate of 0.05% in the 2012 annual control report. The overall effectiveness of the management and control system has been classified in category 2.

In 2012, an EFF amount of EUR 45 487 was committed by the Member State and EUR 0 was certified to the Commission due to the payment interruption. EUR 380 125 in convergence objective and EUR 76 496 in non-convergence objective was de-committed.

Finland

The OP covers the entire territory of the country which is designated as a non-convergence region. It also includes support for the Åland Islands.

The total eligible public expenditure of the programme is EUR 91 848 827, out of which EFF allocation is EUR 39 448 827.

Allocation between priority axes: 8.7% for axis 1, 43.1% for axis 2, 37.5% for axis 3, 9.1% for axis 4 and 1.6% for axis 5.

Overall assessment: The OP has a good rate of implementation. Following the 2011 Annual Control Report, an Action Plan was established by the Commission, which has been implemented successfully and after which the interruption of payments due to the higher error rate was lifted at the end of the year. In the AAR 2012 there is no reservation as the error rate is below the materiality threshold of 2%.

In 2012, an EFF amount of EUR 4 251 714.60 was committed by the Member State and EUR 6 202 396 was certified to the Commission.

Sweden

The OP covers the entire territory of the country which is designated as a whole as a non-convergence region.

Total eligible public expenditure amounts to EUR 104 774 205, out of which the EFF allocation is EUR 54 664 803.

Allocation between priority axes: 25% for axis 1, 20% for axis 2, 35% for axis 3, 15% for axis 4 and 5% for axis 5.

Overall assessment: The OP has a satisfactory rate of implementation. The monitoring and control system is functioning but some improvements are needed. The reported error rate for 2012 was 3.13%. Consequently, payments were interrupted in February 2013. In March 2013, the Audit Authority indicated that additional ineligible expenditure had been identified. In November 2013, the payment interruption was lifted as it could be confirmed that the necessary corrective actions had been taken.

In 2012, an EFF amount of EUR 7 950 351 was committed by the Member State and EUR 5 300 076 was certified to the Commission.

United Kingdom

The OP covers Cornwall and the Isles of Scilly, West Wales and the Valleys, Highlands and Islands as convergence regions and the rest of the UK as non-convergence region.

The total OP public expenditure is EUR 246 800 000 out of which the EFF allocation is EUR 137 827 889.

Allocation between priority axes for all areas in 2012: 28.8% for axis 1, 24.4% for axis 2, 36.0% for axis 3, 8.4% for axis 4 and 2.5 % for axis 5.

Overall assessment: As in previous years, EFF implementation progress varies between the devolved administrations. While England and Scotland show progress, Wales and Northern Ireland are lagging behind.

In 2012, an EFF amount EUR 16 981 425,89 was committed by the Member State and EUR 20 788 147,14 was certified to the Commission.

In 2012, significant deficiencies were identified in the functioning of the management and control system. The Annual Audit and Control Report was not submitted in time, therefore there was no information on the error rate in 2012. In addition, the description of the management and control system of Axis 4 in the UK has not yet been endorsed. Due to these problems all payments have been interrupted.

II FINANCIAL TABLES

TABLE I. FINANCIAL EXECUTION CONVERGENCE

Country		Decided a	Committed b	Paid c	% (b) / (a)	% (c) / (a)
Belgique-Belgie	Period 2007-2013	0.00	0.00	0.00	0.00%	0.00%
	Financial year: 2011	0.00	0.00	0.00		
Republic of Bulgaria	Period 2007-2013	75 876 747.00	47 107 496.00	15 625 873.19	62.08%	20.59%
	Financial year: 2011	13 084 212.00	13 084 212.00	4 424 514.08		
Czech Republic	Period 2007-2013	27 106 675.00	18 492 712.00	14 758 064.92	68.22%	54.44%
	Financial year: 2011	4 043 811.00	4 043 811.00	7 671 187.19		
Deutschland	Period 2007-2013	96 861 240.00	69 161 575.00	43 140 563.43	71.40%	44.54%
	Financial year: 2011	13 852 783.00	13 852 783.00	9 595 409.09		
Eesti	Period 2007-2013	84 568 039.00	54 878 609.00	30 975 023.79	64.89%	36.63%
	Financial year: 2011	12 995 534.00	12 995 534.00	10 777 597.65		
Ellas	Period 2007-2013	176 836 728.00	127 836 160.00	56 447 115.10	72.29%	31.92%
	Financial year: 2011	25 001 388.00	25 001 388.00	29 767 195.93		
España	Period 2007-2013	945 692 445.00	673 655 041.00	319 760 965.92	71.23%	33.81%
	Financial year: 2011	135 543 780.00	135 543 780.00	84 901 773.57		
France	Period 2007-2013	33 883 875.00	23 608 965.00	9 019 842.00	69.68%	26.62%
	Financial year: 2011	4 986 852.00	4 986 852.00	2 838 693.47		
Italia	Period 2007-2013	318 281 864.00	223 686 770.00	119 570 689.12	70.28%	37.57%
	Financial year: 2011	46 178 319.00	46 178 319.00	39 781 385.57		
Latvia	Period 2007-2013	125 015 563.00	81 747 415.00	65 170 045.47	65.39%	52.13%
	Financial year: 2011	19 243 706.00	19 243 706.00	25 474 344.28		
Lietuva	Period 2007-2013	54 713 408.00	36 709 949.00	23 120 863.91	67.09%	42.26%
	Financial year: 2011	8 161 553.00	8 161 553.00	4 675 239.50		
Hungary	Period 2007-2013	34 291 357.00	21 714 842.00	12 773 386.24	63.32%	37.25%
	Financial year: 2011	5 856 938.00	5 856 938.00	7 176 742.66		
Malta	Period 2007-2013	8 372 329.00	5 300 916.00	2 126 063.75	63.31%	25.39%
	Financial year: 2011	1 271 388.00	1 271 388.00	953 937.69		
Österreich	Period 2007-2013	187 326.00	141 680.00	95 032.55	75.63%	50.73%
	Financial year: 2011	25 331.00	25 331.00	15 065.00		
Polska	Period 2007-2013	734 092 574.00	483 677 649.00	211 027 766.33	65.89%	28.75%
	Financial year: 2011	121 944 858.00	121 944 858.00	71 086 296.54		
Portugal	Period 2007-2013	223 943 059.00	157 458 856.00	76 509 677.58	70.31%	34.16%
	Financial year: 2011	32 477 628.00	32 477 628.00	17 344 238.55		
România	Period 2007-2013	230 645 644.00	143 020 768.00	32 299 988.49	62.01%	14.00%

	Financial year: 2011	39 257 052.00	39 257 052.00	0.00		
Slovenija	Period 2007-2013	21 640 283.00	15 269 905.00	5 751 652.52	70.56%	26.58%
	Financial year: 2011	3 515 536.00	3 515 536.00	2 722 012.90		
Slovensko	Period 2007-2013	12 301 334.00	8 118 059.00	4 933 316.97	65.99%	40.10%
	Financial year: 2011	1 651 255.00	1 651 255.00	1 199 844.80		
United Kingdom	Period 2007-2013	43 150 701.00	28 677 725.00	6 041 098.14	66.46%	14.00%
	Financial year: 2011	7 205 260.00	7 205 260.00	0.00		
Total	Period 2007-2013	3 247 461 191.00	2 220 265 092.00	1 049 147 029.42	68.37%	32.31%
	Financial year: 2011	496 297 184.00	496 297 184.00	320 405 478.47		

TABLE II. FINANCIAL EXECUTION NON-CONVERGENCE

Country		Decided a	Committed b	Paid c	% (b) / (a)	% (c) / (a)
Belgique-Belgie	Period 2007-2013	26 261 648.00	17 205 799.00	11 243 909.00	65.52%	42.81%
	Financial year: 2011	4 412 449.00	4 412 449.00	7 567 279.00		
Danmark	Period 2007-2013	133 675 169.00	93 573 369.00	65 434 024.70	70.00%	48.95%
	Financial year: 2011	19 463 114.00	19 463 114.00	20 580 026.46		
Deutschland	Period 2007-2013	52 259 936.00	34 559 015.00	17 214 455.48	66.13%	32.94%
	Financial year: 2011	8 591 011.00	8 591 011.00	3 336 209.37		
Ireland	Period 2007-2013	42 266 603.00	27 691 739.00	20 590 159.00	65.52%	48.71%
	Financial year: 2011	7 101 580.00	7 101 580.00	0.00		
Ellas	Period 2007-2013	30 995 509.00	21 697 029.00	11 538 165.08	70.00%	37.23%
	Financial year: 2011	4 512 948.00	4 512 948.00	6 223 733.08		
España	Period 2007-2013	186 198 467.00	130 339 975.00	84 709 886.74	70.00%	45.49%
	Financial year: 2011	27 110 509.00	27 110 509.00	33 535 154.17		
France	Period 2007-2013	181 802 741.00	127 262 941.00	78 755 127.38	70.00%	43.32%
	Financial year: 2011	26 470 491.00	26 470 491.00	10 667 781.24		
Italia	Period 2007-2013	106 060 990.00	74 243 289.00	43 909 077.34	70.00%	41.40%
	Financial year: 2011	15 442 488.00	15 442 488.00	19 453 824.97		
Cyprus	Period 2007-2013	19 724 418.00	13 807 204.00	13 278 025.78	70.00%	67.32%
	Financial year: 2011	2 871 876.00	2 871 876.00	4 367 980.79		
Hungary	Period 2007-2013	478 215.00	273 017.00	91 695.59	57.09%	19.17%
	Financial year: 2011	95 563.00	95 563.00	13 365.17		
Nederland	Period 2007-2013	48 578 417.00	34 005 165.00	13 201 570.50	70.00%	27.18%
	Financial year: 2011	7 073 021.00	7 073 021.00	1 553 560.32		
Österreich	Period 2007-2013	5 071 992.00	3 550 423.00	3 550 423.00	70.00%	70.00%
	Financial year: 2011	738 483.00	738 483.00	738 483.00		
Portugal	Period 2007-2013	22 542 190.00	15 779 659.00	7 085 658.90	70.00%	31.43%
	Financial year: 2011	3 282 145.00	3 282 145.00	1 864 105.51		
Slovensko	Period 2007-2013	821 975.00	489 770.00	236 859.38	59.58%	28.82%
	Financial year: 2011	131 131.00	131 131.00	57 527.12		
Suomi-Finland	Period 2007-2013	39 448 827.00	27 614 400.00	16 427 458.77	70.00%	41.64%
	Financial year: 2011	5 743 752.00	5 743 752.00	5 039 613.94		
Sverige	Period 2007-2013	54 664 803.00	38 265 669.00	24 999 874.53	70.00%	45.73%
	Financial year: 2011	7 959 199.00	7 959 199.00	5 505 285.77		
United Kingdom	Period 2007-2013	94 677 188.00	62 029 492.00	13 254 806.32	65.52%	14.00%

	Financial year: 2011	15 907 541.00	15 907 541.00	0.00		
Total	Period 2007-2013	1 045 529 088.00	722 387 955.00	425 521 177.49	69.09%	40.70%
	Financial year: 2011	156 907 301.00	156 907 301.00	120 503 929.91		

TABLE III. FINANCIAL EXECUTION CONVERGENCE AND NON-CONVERGENCE

Country		Decided a	Committed b	Paid c	% (b) / (a)	% (c) / (a)
Belgique-Belgie	Period 2007-2013	26 261 648.00	17 205 799.00	11 243 909.00	65.52%	42.81%
	Financial year: 2011	4 412 449.00	4 412 449.00	7 567 279.00		
Republic of Bulgaria	Period 2007-2013	75 876 747.00	47 107 496.00	15 625 873.19	62.08%	20.59%
	Financial year: 2011	13 084 212.00	13 084 212.00	4 424 514.08		
Czech Republic	Period 2007-2013	27 106 675.00	18 492 712.00	14 758 064.92	68.22%	54.44%
	Financial year: 2011	4 043 811.00	4 043 811.00	7 671 187.19		
Danmark	Period 2007-2013	133 675 169.00	93 573 369.00	65 434 024.70	70.00%	48.95%
	Financial year: 2011	19 463 114.00	19 463 114.00	20 580 026.46		
Deutschland	Period 2007-2013	149 121 176.00	103 720 590.00	60 355 018.91	69.55%	40.47%
	Financial year: 2011	22 443 794.00	22 443 794.00	12 931 618.46		
Eesti	Period 2007-2013	84 568 039.00	54 878 609.00	30 975 023.79	64.89%	36.63%
	Financial year: 2011	12 995 534.00	12 995 534.00	10 777 597.65		
Ireland	Period 2007-2013	42 266 603.00	27 691 739.00	20 590 159.00	65.52%	48.71%
	Financial year: 2011	7 101 580.00	7 101 580.00	0.00		
Ellas	Period 2007-2013	207 832 237.00	149 533 189.00	67 985 280.18	71.95%	32.71%
	Financial year: 2011	29 514 336.00	29 514 336.00	35 990 929.01		
España	Period 2007-2013	1 131 890 912.00	803 995 016.00	404 470 852.66	71.03%	35.73%
	Financial year: 2011	162 654 289.00	162 654 289.00	118 436 927.74		
France	Period 2007-2013	215 686 616.00	150 871 906.00	87 774 969.38	69.95%	40.70%
	Financial year: 2011	31 457 343.00	31 457 343.00	13 506 474.71		
Italia	Period 2007-2013	424 342 854.00	297 930 059.00	163 479 766.46	70.21%	38.53%
	Financial year: 2011	61 620 807.00	61 620 807.00	59 235 210.54		
Cyprus	Period 2007-2013	19 724 418.00	13 807 204.00	13 278 025.78	70.00%	67.32%
	Financial year: 2011	2 871 876.00	2 871 876.00	4 367 980.79		
Latvia	Period 2007-2013	125 015 563.00	81 747 415.00	65 170 045.47	65.39%	52.13%
	Financial year: 2011	19 243 706.00	19 243 706.00	25 474 344.28		
Lietuva	Period 2007-2013	54 713 408.00	36 709 949.00	23 120 863.91	67.09%	42.26%
	Financial year: 2011	8 161 553.00	8 161 553.00	4 675 239.50		
Luxembourg	Period 2007-2013	0.00	0.00	0.00	0.00%	0.00%
	Financial year: 2011	0.00	0.00	0.00		
Hungary	Period 2007-2013	34 769 572.00	21 987 859.00	12 865 081.83	63.24%	37.00%
	Financial year: 2011	5 952 501.00	5 952 501.00	7 190 107.83		
Malta	Period 2007-2013	8 372 329.00	5 300 916.00	2 126 063.75	63.31%	25.39%

	Financial year: 2011	1 271 388.00	1 271 388.00	953 937.69		
Nederland	Period 2007-2013	48 578 417.00	34 005 165.00	13 201 570.50	70.00%	27.18%
	Financial year: 2011	7 073 021.00	7 073 021.00	1 553 560.32		
Österreich	Period 2007-2013	5 259 318.00	3 692 103.00	3 645 455.55	70.20%	69.31%
	Financial year: 2011	763 814.00	763 814.00	753 548.00		
Polska	Period 2007-2013	734 092 574.00	483 677 649.00	211 027 766.33	65.89%	28.75%
	Financial year: 2011	121 944 858.00	121 944 858.00	71 086 296.54		
Portugal	Period 2007-2013	246 485 249.00	173 238 515.00	83 595 336.48	70.28%	33.91%
	Financial year: 2011	35 759 773.00	35 759 773.00	19 208 344.06		
România	Period 2007-2013	230 645 644.00	143 020 768.00	32 299 988.49	62.01%	14.00%
	Financial year: 2011	39 257 052.00	39 257 052.00	0.00		
Slovenija	Period 2007-2013	21 640 283.00	15 269 905.00	5 751 652.52	70.56%	26.58%
	Financial year: 2011	3 515 536.00	3 515 536.00	2 722 012.90		
Slovensko	Period 2007-2013	13 123 309.00	8 607 829.00	5 170 176.35	65.59%	39.40%
	Financial year: 2011	1 782 386.00	1 782 386.00	1 257 371.92		
Suomi-Finland	Period 2007-2013	39 448 827.00	27 614 400.00	16 427 458.77	70.00%	41.64%
	Financial year: 2011	5 743 752.00	5 743 752.00	5 039 613.94		
Sverige	Period 2007-2013	54 664 803.00	38 265 669.00	24 999 874.53	70.00%	45.73%
	Financial year: 2011	7 959 199.00	7 959 199.00	5 505 285.77		
United Kingdom	Period 2007-2013	137 827 889.00	90 707 217.00	19 295 904.46	65.81%	14.00%
	Financial year: 2011	23 112 801.00	23 112 801.00	0.00		
Total	Period 2007-2013	4 292 990 279.00	2 942 653 047.00	1 474 668 206.91	68.55%	34.35%
	Financial year: 2011	653 204 485.00	653 204 485.00	440 909 408.38		

TABLE IV. EFF PROGRAMMED AMOUNTS BROKENDOWN BY PRIORITY AXIS AND BY MEMBER STATE

Country		Priority axis 1		Priority axis 2		Priority axis 3		Priority axis 4		Priority axis 5		Total
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
BE	Belgique-België	13 759 395	52.39	1 300 000	4.95	8 502 253	32.38	1 900 000	7.23	800 000	3.05	26 261.648
BG	Republic of Bulgaria	8 000 970	10.00	36 004 371	45.00	20 002 426	25.00	12 001 456	15.00	4 000 485	5.00	80 009 708
CZ	Czech Republic	-	-	14 426 938	53.22	11 324 403	41.78	-	-	1 355 334	5.00	27 106 675
DK	Danmark	32 979 865	24.67	23 288 590	17.42	57 990 608	43.38	15 959 731	11.94	3 456 375	2.59	133 675 169
DE	Deutschland	7 540 572	4.91	53 087 669	34.54	71 154 035	46.29	19 122 001	12.44	2 807 115	1.83	153 711 392
EE	Eesti	15 264 531	18.05	24 583 929	29.07	21 209 664	25.08	19 281 513	22.80	4 228 402	5.00	84 568 039
IE	Ireland	34 766 000	82.25	-	-	6 000 000	14.20	1 500 603	3.55	-	-	42 266 603
EL	Ellas	77 272 459	37.18	59 689 538	28.72	32 320 240	15.55	33 300 000	16.02	5 250 000	2.53	207 832 237
ES	España	439 496 235	38.83	307 065 764	27.13	314 439 940	27.78	50 753 929	4.48	20 135 044	1.78	1 131 890 912
FR	France	65 021 494	30.10	54 179 212	25.08	88 499 416	40.96	5 699 644	2.64	2 653 318	1.23	216 053 084
IT	Italia	161 250 284	38.00	106 085 713	25.00	106 085 713	25.00	16 973 714	4.00	33 947 430	8.00	424 342 854
CY	Cyprus	5 200 000	26.36	3 250 000	16.48	9 924 418	50.32	1 000 000	5.07	350 000	1.77	19 724 418
LV	Latvia	26 196 710	20.95	49 330 211	39.46	27 354 461	21.88	17 172 786	13.74	4 961 395	3.97	125 015 563
LT	Lietuva	7 553 105	13.80	28 111 116	51.38	9 683 672	17.70	6 693 770	12.23	2 671 745	4.88	54 713 408
HU	Hungary	-	-	24 163 925	69.34	8 944 392	25.66	-	-	1 742 543	5.00	34 850 860
MT	Malta	2 175 000	25.98	1 707 750	20.40	4 095 079	48.91	-	-	394 500	4.71	8 372 329
NL	Nederland	16 913 233	34.82	7 379 398	15.19	16 903 461	34.80	4 987 125	10.27	2 395 200	4.93	48 578 417
AT	Österreich	-	-	5 164 318	98.19	50 000	0.95	-	-	45 000	0.86	5 259 318
PL	Polska	140 510 181	19.14	162 872 812	22.19	159 095 329	21.67	234 909 624	32.00	36 704 628	5.00	734 092 574
PT	Portugal	62 865 134	25.50	74 187 067	30.10	83 407 876	33.84	17 403 406	7.06	8 621 766	3.50	246 485 249

RO	România	9 975 000	4.32	105 000 000	45.51	30 000 000	13.00	75 000 000	32.51	10 739 207	4.65	230 714 207
SI	Slovenija	2 164 029	10.00	7 141 293	33.00	7 574 097	35.00	2 164 029	10.00	2 596 835	12.00	21 640 283
SK	Slovensko	-	-	11 431 752	87.11	1 007 131	7.67	-	-	684 426	5.22	13 123 309
FI	Suomi-Finland	3 445 000	8.73	16 990 000	43.07	14 783 827	37.48	3 606 000	9.14	624 000	1.58	39 448 827
SE	Sverige	13 666 201	25.00	10 932 961	20.00	19 132 681	35.00	8 199 720	15.00	2 733 240	5.00	54 664 803
UK	United Kingdom	39 634 805	28.76	33 589 711	24.37	49 620 896	36.00	11 598 450	8.42	3 384 027	2.46	137 827 889
Total		1 185 650 203	27.56	1 220 964 038	28.38	1 179 106 018	27.41	559 227 501	13.00	157 282 015	3.66	4 302 229 775

For ease of reference, please refer to the legend below:

Priority axis 1: measures for the adaptation of the Community fishing fleet

Priority axis 2: aquaculture, inland fishing, processing and marketing of fishery and aquaculture products

Priority axis 3: measures of common interest

Priority axis 4: sustainable development of fisheries areas

Priority axis 5: technical assistance

TABLE V. EFF CERTIFIED EXPENDITURE BROKENDOWN BY PRIORITY AXIS AND BY MEMBER STATE

Country		Priority axis 1		Priority axis 2		Priority axis 3		Priority axis 4		Priority axis 5		Total
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
BE	Belgique-België	7 126 742	94.18	-	-	384 980	5.09	-	-	55 558	0.73	7 567 279
BG	Republic of Bulgaria	690 812	6.52	8 757 949	82.62	-	-	809 400	7.64	342 342	3.23	10 600 502
CZ	Czech Republic	-	-	6 375 117	58.15	4 438 274	40.48	-	-	149 737	1.37	10 963 128
DK	Danmark	27 405 362	56.61	5 591 422	11.55	11 815 619	24.41	2 796 259	5.78	805 398	1.66	48 414 061
DE	Deutschland	615 008	1.57	13 921 697	35.65	21 458 335	54.95	2 340 869	5.99	713 838	1.83	39 049 747
EE	Eesti	6 320 264	25.04	8 034 299	31.82	6 873 254	27.23	2 682 031	10.62	1 335 800	5.29	25 245 648
IE	Ireland	27 453 770	100.00	-	-	-	-	-	-	-	-	27 453 770
EL	Ellas	28 943 283	44.01	20 900 000	31.78	8 042 654	12.23	4 750 000	7.22	3 131 714	4.76	65 767 650
ES	España	192 989 758	56.91	72 683 397	21.43	67 863 941	20.01	54 900	0.02	5 500 030	1.62	339 092 026
FR	France	45 043 471	64.34	7 808 608	11.15	16 682 262	23.83	217 676	0.31	261 020	0.37	70 013 035
IT	Italia	80 205 295	67.22	27 288 936	22.87	7 229 001	6.06	-	-	4 585 853	3.84	119 309 085
CY	Cyprus	2 870 492	27.29	755 094	7.18	6 846 175	65.10	-	-	44 847	0.43	10 516 607
LV	Latvia	20 707 594	43.44	12 893 461	27.05	12 891 876	27.05	239 505	0.50	935 431	1.96	47 667 867
LT	Lietuva	4 288 467	27.74	9 312 346	60.23	747 197	4.83	133 009	0.86	979 968	6.34	15 460 987
HU	Hungary	-	-	7 566 595	94.75	-	-	-	-	419 367	5.25	7 985 961
MT	Malta	1 400 762	85.05	126 606	7.69	33 851	2.06	-	-	85 817	5.21	1 647 036
NL	Nederland	8 486 272	58.77	1 646 245	11.40	2 620 861	18.15	356 564	2.47	1 329 882	9.21	14 439 825
AT	Österreich	-	-	3 433 499	99.57	-	-	-	-	14 988	0.43	3 448 487
PL	Polska	80 137 554	57.53	42 037 021	30.18	12 762 726	9.16	-	-	4 350 781	3.12	139 288 081

PT	Portugal	30 918 836	43.55	18 589 940	26.19	19 622 139	27.64	287 267	0.40	1 571 766	2.21	70 989 947
RO	România	1 697 161	4.84	32 337 273	92.20	-	-	-	-	1 037 825	2.96	35 072 259
SI	Slovenija	-	-	1 124 308	21.36	3 748 780	71.22	-	-	390 612	7.42	5 263 699
SK	Slovensko	-	-	2 864 593	88.04	22 613	0.69	-	-	366 577	11.27	3 253 782
FI	Suomi-Finland	818 625	5.82	7 002 371	49.80	5 412 041	38.49	645 675	4.59	183 202	1.30	14 061 914
SE	Sverige	11 225 820	52.62	2 486 496	11.65	6 127 420	28.72	300 239	1.41	1 194 188	5.60	21 334 163
UK	United Kingdom	9 250 061	27.35	11 339 530	33.53	12 833 415	37.95	77 309	0.23	318 559	0.94	33 818 873
Total		588 595 408	49.56	324 876 803	27.35	228 457 411	19.23	15 690 703	1.32	30 105 095	2.53	1 187 725 420