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## 1. INTRODUCTION

This is the first Annual Work Programme (AWP) for the implementation of the Hercule III Programme 2014-2020 established by Regulation (EU) No. 250/2014<sup>1</sup> ("the Programme"). Hercule III is a programme to promote activities in the field of the protection of the financial interests of the Union. This objective is achieved by providing financial support to the beneficiaries referred to in Article 6 of Regulation 250/2014.

The Annual Work Programme for 2014 is based on Article 11 of Regulation 250/2014 which in particular details the requirements to be met.

## 2. OBJECTIVES OF THE PROGRAMME

The general objective of the Hercule III Programme *shall be to protect the financial interests of the Union thus enhancing the competitiveness of the Union's economy and ensuring the protection of the taxpayers' money*<sup>2</sup>.

The specific objective of the Programme *shall be to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union*<sup>3</sup>.

The operational objectives<sup>4</sup> of the Programme shall be all of the following:

- (a) to improve the prevention and investigation of fraud and other illegal activities beyond current levels by enhancing transnational and multi-disciplinary cooperation;
- (b) to increase the protection of the financial interests of the Union against fraud, facilitating the exchange of information, experiences and best practices, including staff exchanges;
- (c) to strengthen the fight against fraud and other illegal activities providing technical and operational support to national investigation, and in particular customs and law enforcement, authorities;
- (d) to limit the currently known exposure of the financial interests of the Union to fraud, corruption and other illegal activities with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;
- (e) to enhance the degree of development of the specific legal and judicial protection of the financial interests of the Union against fraud by promoting comparative law analysis.

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<sup>1</sup> Regulation 250/2014 of the European Parliament and of the Council of 26 February 2014, OJ L 84 of 20 March 2014, p. 6.

<sup>2</sup> Article 3 of Regulation 250/2014

<sup>3</sup> Article 4 of Regulation 250/2014

<sup>4</sup> Article 5 of Regulation 250/2014

### **3. ELIGIBLE ACTIONS FOR FUNDING UNDER THE PROGRAMME**

The Programme shall provide appropriate financial support to three types of actions<sup>5</sup>:

1. Technical Assistance (see section 3.1)
2. Training (see section 3.2)
3. Any other action (see section 3.3).

#### **3.1. Technical Assistance**

The provision of specialised technical assistance<sup>6</sup> for the competent authorities<sup>7</sup> of the Member States through one or more of the following:

- (i) providing specific knowledge, specialised and technically advanced equipment and effective information technology (IT) tools facilitating transnational cooperation and cooperation with the Commission;
- (ii) ensuring the necessary support and facilitating investigations, in particular the setting up of joint investigation teams and cross border operations;
- (iii) supporting Member States' capacity to store and destroy seized cigarettes, as well as independent analytical services for the analysis of seized cigarettes;
- (iv) enhancing staff exchanges for specific projects, in particular in the field of the fight against cigarette smuggling and counterfeiting;
- (v) providing technical and operational support for the law enforcement authorities of the Member States in their fight against illegal cross border activities and fraud affecting the financial interests of the Union, including in particular support for customs authorities;
- (vi) building information technology capacity throughout participating countries by developing and providing specific databases and IT tools facilitating data access and analysis;
- (vii) increasing data exchange, developing and providing IT tools for investigations, and monitoring intelligence work.

The conditions for funding of technical assistance actions in 2014 are specified in section 6.

#### **3.2. Training**

The organisation of targeted specialised training<sup>8</sup>, and risk analysis training workshops, as well as, where appropriate, conferences, aimed at one or more of the following:

- (i) further fostering better understanding of Union and national mechanisms;
- (ii) exchanging experience and best practices between the relevant authorities in the participating countries, including specialised law enforcement services, as well as representatives of international organisations<sup>9</sup>;

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<sup>5</sup> Article 8 of Regulation 250/2014

<sup>6</sup> Article 8 (a) (i) – (vii) of Regulation 250/2014

<sup>7</sup> The competent authorities are defined in Article 6 of Regulation 250/2014

<sup>8</sup> Article 8 (b) (i) – (vii) of Regulation 250/2014

- (iii) coordinating the activities of participating countries, and representatives of international organisations;
- (iv) disseminating knowledge, particularly on better identification of risk for investigative purposes;
- (v) developing high-profile research activities, including studies;
- (vi) improving cooperation between practitioners and academics;
- (vii) further raising the awareness of the judiciary and other branches of the legal profession for the protection of the financial interests of the Union.

The conditions for funding of training actions in 2014 are specified in section 7.

### **3.3. Other actions<sup>10</sup>**

Any other action not covered in sections 3.1 and 3.2 above, which is necessary for attaining the general, the specific and the operational objectives provided for in section 2. Under this Annual Work Programme, other actions are not foreseen.

## **4. BENEFICIARIES OF THE PROGRAMME**

The bodies eligible for funding in the programme are<sup>11</sup>:

- A. National or regional administrations of a participating country<sup>12</sup> which promote the strengthening of action at Union level to protect the financial interests of the Union (bodies eligible for Technical Assistance, Training and other actions);
- B. Research and educational institutes and non-profit-making entities provided that they have been established and have been operating for at least one year, in a participating country, and promote the strengthening of action at Union level to protect the financial interests of the Union (bodies eligible for Training and other actions).

## **5. METHODS OF IMPLEMENTATION OF THE PROGRAMME**

The Programme will be implemented by making use of the methods:

1. Grants, following Calls for Proposals<sup>13</sup> (section 5.1);
2. Contracts following public procurement (Calls for Tender, section 5.2)<sup>14</sup>.

The Programme also provides for the reimbursement of costs incurred by representatives from certain non-EU Member States to allow their participation in activities under the Programme, such as Conferences or seminars<sup>15</sup>.

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<sup>9</sup> Article 7 of Regulation 250/2014 defines the geographical scope of the programme

<sup>10</sup> Article 8 (c) of Regulation 250/2014

<sup>11</sup> Article 6 of Regulation 250/2014

<sup>12</sup> Article 7 of Regulation 250/2014 defines the geographical scope of the programme

<sup>13</sup> Following the procedures laid down in Title VI "Grants" of the Financial Regulation (966/2012 of 25 October 2012, OJ L 298 of 26 October 2012) applicable to the general budget of the Union, and the Commission Delegated Regulation 1268/2012 of 29 October 2012, OJ L 362 of 31 December 2012 ("Rules of Application").

<sup>14</sup> Following the procedures laid down in Title V "Procurement" of the Financial Regulation

<sup>15</sup> The non-EU Member States are: countries of South-Eastern Europe, the Russian Federation, certain countries with which the Union has concluded an agreement for mutual assistance in fraud-related matters (see: [http://ec.europa.eu/anti\\_fraud/about-us/legal-framework/customs\\_matters/index\\_en.htm](http://ec.europa.eu/anti_fraud/about-us/legal-framework/customs_matters/index_en.htm))

### 5.1. Grants: co-financing rate, conditions to apply and evaluation procedure

The Commission (OLAF) will organize in 2014 Calls for Proposals for "Technical Assistance" and "Training" actions.

The purchase of equipment shall not be the sole component of the grant agreement<sup>16</sup>. The co-financing rate for grants awarded under the programme shall not exceed 80% of the eligible costs. In exceptional and duly justified cases as defined in section 6.3 and 7.2.3 of this AWP2014, the co-financing may be increased but shall not exceed 90% of the eligible costs.

The Evaluation Committee will examine each application on the basis of the following criteria:

- (a) Eligibility Criteria: verification of the eligibility of the **applicant**:
- For technical assistance actions, applications are only eligible if they are submitted by national or regional administrations, as defined in section 4.A
  - For training actions, applications are eligible if they are submitted by national or regional administrations, as well as research and educational institutes and other non-profit making entities, as defined in section 4.A and 4.B above.
- (b) Exclusion criteria: verification of the **applicant's** compliance with Articles 106(1), 107 and 109 of the Financial Regulation.
- (c) Selection Criteria: in accordance with Article 132 of the Financial Regulation and Article 202 of the Rules of Application<sup>17</sup>, **applicants** shall be evaluated on the basis of the following criteria:
- The applicant shall demonstrate that it has the **operational resources** (technical, management) and the **professional skills and qualifications** needed to successfully implement the proposed action. The applicant must have a strong track record of competence and experience in the field and in particular in the type of action proposed;
  - The applicant shall demonstrate that it has the **financial capacity** enabling it to perform the tasks involved in the project (stable and sufficient source of funding to maintain activity for the duration of the project), as shown by the annual accounts (balance and profit and loss account) for the last financial year for which accounts have been closed and other financial information provided in the grant application form. The financial capacity requirement does not apply to national and regional administrations.
- (d) Award criteria:
- Applications submitted by applicants that fulfil the eligibility, exclusion and selection criteria indicated above will be assessed on the basis of the award criteria mentioned below:

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as well as representatives from international and other relevant organisations. The costs incurred by these representatives may be reimbursed wherever this is considered to be useful for the achievement of the general, specific and operational objectives of the programme.

<sup>16</sup> Article 10 (3) of Regulation 250/2014

<sup>17</sup> See footnote 12, supra

- **Added value of the application for the protection of the financial interests of the Union;**
- **Conformity with the operational objectives of the Programme;**
- **Quality;**
- **Value for money.**

## **5.2. Procurement: conditions to apply and evaluation procedure**

The Commission will conclude specific contracts under existing framework contracts in the area of Technical Assistance and Anti-fraud training.

The Commission will organise a Call for Tender in the fourth quarter of 2014 concerning the "Technical Assistance" actions for carrying out chemical analyses on samples from cigarettes and tobacco seizures (indicative amount EUR 250 000 for one contract to be concluded). The conclusion of administrative arrangements with the Joint Research Centre (JRC) for the development of specialised IT-tools needed for the analyses of container traffic might be envisaged as well (see section 6.1).

The Commission will launch in 2014 a Call for Tender for "Training" actions for awarding a framework contract on "Conference organisation" as of 2015 (see section 7 for further details).

## **6. ELIGIBLE ACTIONS: TECHNICAL ASSISTANCE**

### **6.1. Specific actions for technical assistance**

The Programme will support in 2014 the following specific actions for technical assistance:

1. The purchase and maintenance of investigation tools and methods used in the fight against irregularities, fraud and corruption perpetrated against the financial interests of the Union. Specialised training needed to operate the investigation tools is included.
2. The purchase and maintenance of devices to carry out inspections of containers, trucks, railway wagons and vehicles at the Union's external borders and within the Union in order to detect smuggled and counterfeited goods imported into the Union with the aim or consequence to evade custom duties and excises. The purchase, transport, training, housing and feeding of animals used to detect smuggled and illicit goods on the basis of the goods' scent characteristics is included;
3. The purchase, maintenance and interconnection of systems for the recognition of vehicle number plates (Automated Number Plate Recognition Systems – ANPRS) or container codes for purposes related to the protection of the financial interests of the Union, provided these systems do not overlap with existing EU funded systems, such as the EUCARIS network or the ERRU and RESPER systems. Specialised training needed to operate these systems is included;
4. The acquisition of (access to) databases with information on trade-flows, ship-manifest data, container traffic and company information needed for investigation and risk analyses purposes;
5. The development, implementation and training of specific IT-tools for data-analyses and data-mining needed to support fraud risk analyses. These analyses and risk

profiles are particularly important for Member States' customs in their fight against cigarette smuggling and the import of illicit goods, in particular counterfeited goods;

6. The purchase of services to support Member States' capacity to store and destroy seized cigarettes, as well as the purchase of services to carry out chemical analyses of samples taken from tobacco and cigarettes seizures in the Member States.

The actions indicated under 1-3 as well as the first part of action 6 (store and destroy cigarettes) will be the subject of a Call for Proposals to be launched during the first semester of 2014. The indicative budget available for this Call is: EUR 7 450 000.

The databases under Action 4 will be purchased using specific contracts under framework contracts that have been concluded in 2011<sup>18</sup>, 2012<sup>19</sup> and 2013<sup>20</sup>. The overall budget available for this action is: EUR 2 400 000.

Action 5 (IT-tools) will be achieved by continuing the existing administrative arrangements concluded between the Joint Research Centre (JRC) on the one hand and the Commission (OLAF) on the other hand for the further development and enhancement of the AMT and ConTraffic tools. The indicative budget available for this action is: EUR 200 000.

The chemical analyses of samples taken from cigarettes and tobacco seizures (action 6) were purchased under a framework contract<sup>21</sup> that will expire in June 2014. The indicative budget available for this action in 2014 is: EUR 200 000.

## **6.2. Expected results for the specific technical assistance actions**

The expected results for the specific technical assistance actions described in section 6.1 are given below, together with the indicators that enable the measurement of these results, as well as the added value and effective use of the co-financed technical equipment<sup>22</sup>.

1. The strengthening and improvement of the operational capacity of the beneficiary, as measured, for example, by the number of successful operations carried out with the purchased equipment within the framework of investigations covering activities detrimental to the Union's financial interests, as well as information on the number of arrests made, convictions, seizures, confiscations, recoveries and uncovered fraud schemes;
2. The strengthening and improvement of the technical capacity of the beneficiary, in particular customs, to carry out verifications of trucks, containers and vehicles, as measured by the number of verifications and "hits" following the use of x-rays scans and searches with the help of specially trained animals, such as sniffer dogs;
3. The strengthening and improvement of the investigative capacities of the beneficiary, such as customs, police or tax services, to identify trucks and vehicles suspected of involvement in activities detrimental, amongst others, the financial interests of the Union, as measured by the number of verifications made with ANPRS, the number of operating hours, the number of positive identifications ("hits", including arrests and

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<sup>18</sup> OLAF/2011/C5/035 for ship movements

<sup>19</sup> OLAF/2012/D5/022 for manifest data

<sup>20</sup> OLAF/2013/D5/023 for trade data, OLAF/2013/D5/021 and OLAF/2013/D5/022 for company data

<sup>21</sup> Framework contract OLAF/D6/49/2010

<sup>22</sup> Article 4 (b) of Regulation 250/2014

seizures) as well as the exchange of information with competent authorities in neighbouring regions or Member States;

4. The use of the databases by the beneficiaries, expressed, for example, as the number of consultations of the database and the results of surveys among the users to assess the user-friendliness and the relevance of the database for the users' activities;
5. The use and improvement of specific IT-tools for the analysis of databases as measured by the number of risk analyses made for use by customs as well as user feed-back on the user-friendliness and the relevance of the tools.

### **6.3. Criteria for co-financing grants up to 90%: technical assistance**

The Hercule III Regulation provides for the possibility to increase the maximum co-financing rate of grants from 80% to a maximum of 90% in *exceptional and duly justified cases*, such as cases concerning Member States exposed to a high risk in relation to the financial interests of the Union<sup>23</sup>. At least two of the criteria listed below will be used in determining the exceptional and duly justified cases in the technical assistance sector:

- Geographical location at an external EU border, especially at the EU's Eastern border;
- The most vulnerable seizure locations (in relation to the seizures of cigarettes and tobacco reported by Member States to the Commission)<sup>24</sup>;
- The findings from the 2012 Annual Report on the implementation of Article 325 of the TFEU on combatting fraud (e.g. number of cases of smuggled cigarettes reported and the estimated traditional own resources involved<sup>25</sup>), in particular the identification of the Member States that are vulnerable and most exposed to threats in relation to the Union's financial interests;

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<sup>23</sup> Article 10 (4) of Regulation 250/2014

<sup>24</sup> See: COM(2013)324 final of 6 June 2013

<sup>25</sup> See: SWD(2013) 284 final accompanying the "Protection of the European Union's financial interests - Fight against Fraud" Annual Report 2012 (table TOR1)

#### 6.4. Indicative budget and planning for technical assistance

Date of publication of the Call for Proposals for actions 1 - 3 on the Commission's (OLAF) website		First semester 2014
Deadline of submission for applications under the Call for Proposals		Second semester 2014
Indicative date for informing applicants on the outcome of the examination of applications submitted under the Call for Proposals		Second semester 2014
Indicative amount available for Technical Assistance		EUR 10 250 000
Indicative amounts	Call for Proposals Technical Assistance: Grants (actions 1 – 3 and the destruction of seizures, action 6)	EUR 7 450 000
	Databases under procurement (action 4)	EUR 2 400 000
	IT-Tools under procurement (action 5)	EUR 200 000
	Analyses of samples for cigarettes and tobacco seizures under procurement (action 6)	EUR 200 000
Maximum rate of co-financing of the total eligible costs for grants under actions 1-3 and the destruction of seizures under action 6.		80% (90% in exceptional and duly justified cases)
A possible second Call for Proposals for actions 1-3 and the destruction of seizures under action 6 may be launched at the end of 2014, if sufficient budget is available.		

#### 7. ANTI-FRAUD TRAINING

The Commission (OLAF) will award grants for the organisation of targeted specialized and risk analysis training workshops, as well as appropriate conferences aimed at protecting the financial interests of the Union and at same time to attain an equivalent level of protection across the Union.

The training actions are also intended to **create networks** between Member States, accession countries, candidate countries, non-EU Member States and international public organisations in order to facilitate exchange of information, experience and best practices.

Grants in this sector may not exceed **80% of the total eligible costs** (90% in exceptional and duly justified cases<sup>26</sup>) and must be covered by a grant agreement.

The "Training" actions are broken down into two categories:

1. Conferences, seminars and digital forensics training (7.1);
2. Legal training and studies (7.2).

### **7.1. Conferences, seminars and digital forensics training**

#### **7.1.1 Specific actions for "Conferences, seminars and digital forensics training"**

In 2014, the Commission (OLAF) will take the following actions to award grants and contracts for the organisation of training activities aimed at protecting the financial interests of the Union.

#### *Grants*

One Call for Proposals will be launched for actions which have as objective:

- exchanging experience and best practices between the relevant authorities in the participating countries, including specialised law enforcement services, as well as representatives of international organisations;
- disseminating knowledge, particularly on better identification of risk for investigative purposes.

The actions can be achieved through the organisation of:

Conferences, seminars, colloquia, courses, e-learning and symposia, workshops, hands-on training and staff exchanges, exchanges of best practices (including on fraud risk assessment), etc..

#### **Indicative budget and planning**

Date of publication of the Call on OLAF's website	First semester 2014
Deadline for submission of proposals	Second semester 2014
Indicative date for informing the applicants	Second semester 2014
Indicative amount	EUR 900 000
Maximum rate of co-financing of the total eligible costs	80 %
A possible second Call will be launched, in the fourth quarter 2014, in case the budget is not exhausted after this Call.	

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<sup>26</sup> See section 7.2.3.

## *Procurement*

### Conferences

High level conferences and ad-hoc training actions focused on the protection of the financial interests of the Union will be organized in 2014 by the Commission (OLAF).

In implementing these training actions, the Commission (OLAF) may choose to:

- Use the services of a firm specialised in organising events, in particular for events outside Brussels, under a framework contract<sup>27</sup>;
- When justified in terms of cost-effectiveness, launch specific Calls for tenders for services relating to transport, accommodation, publications and any other services required for the smooth running of a conference, meeting or training course and other expenditure associated with the organisation of these activities.

Total indicative amount available: EUR 1 100 000.

Since the last (third) possible renewal for the above mentioned OLAF conference framework contract will expire in August 2014, a Call for tender to select a new contractor charged with organisation of Conferences as of 2015 will be launched in the fourth quarter 2014.

### Digital Forensics Training

The organisation of a digital forensics training aimed at:

- Providing and supporting the organisation of training courses on digital forensics for staff employed in national and regional administrations, with a view to protect the financial interests of the Union. The purpose of this training is to develop, improve and update the staff's competences in the area of digital forensics;
- Supporting the initiation of a quality assurance process and a certification procedure in order to enable computer forensic experts to develop, improve and update their competences in the area of digital forensics;
- Supporting the creation and maintenance of a network of digital forensics experts across the Union to promote the exchange of best practices between digital forensics experts.

In implementing these actions, the Commission (OLAF) will use the services of a company specialized in digital forensics training under a framework contract<sup>28</sup>.

Total indicative amount available: EUR 800 000.

#### ***7.1.2 Expected results for "Conferences, seminars and digital forensics training"***

The expected results for the actions described in section 7.1 are given below with the indicators that enable the measurement of these results.

1. Improved investigative performance of law enforcement officials involved in the protection of the financial interests of the European Union through the acquisition of new skills, knowledge and competence;

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<sup>27</sup> D7/OLAF/2011/39, renewed for the second time on 22 August 2013.

<sup>28</sup> OLAF/2013/D5/059

2. Increased awareness on fraud risk indicators and EU anti-fraud policy as expressed by the number of participants to the events, origin of target audience, the number of anti-fraud publications distributed to the target audience and the results of surveys among the participants to assess the overall satisfaction rate of the event;
3. Enhanced dissemination on specialised methodologies, tools and techniques to fight against fraud affecting the EU financial interests expressed by the number and type of training, including specialised training sessions, for which funding was provided by the Programme, the level of attendance, the number of international certifications issued, exchange of information and best practices as well as the results of surveys among the participants to assess the overall satisfaction rate of the event.

## **7.2. Legal training and studies**

The Commission (OLAF) will award grants and contracts in particular to enhance the degree of development of the specific legal and judicial protection of the financial interests of the Union against fraud by promoting comparative law analysis.

### **7.2.1 Specific actions for "Legal training and studies"**

#### *Grants*

One Call for proposals will be organised for actions with the following objectives:

1. Developing high-profile research activities, including studies in comparative law;
2. Improving the cooperation between practitioners and academics (through actions such as conferences, seminars and workshops), including the organisation of the annual meeting of the Presidents of the Associations for European Criminal Law and for the Protection of the EU Financial Interests;
3. Raising the awareness of the judiciary and other branches of the legal profession for the protection of the financial interests of the Union, including the publication of scientific knowledge concerning the protection of the financial interests of the Union.

Total indicative amount available: EUR 550 000.

#### *Procurement*

A specific study is envisaged in 2014, either under the procurement procedure or under an existing Commission framework contract. The study is based on the Commission's Communication on cigarette smuggling<sup>29</sup> and will address the lack of a uniform approach on sanctions in the EU Member States and its impact on the illicit trade. This research could be a first step in having an EU wide comprehensive and comparative understanding of the available sanctions to fight cigarette smuggling and the way they are applied. It will also help the Member States in their future decisions on the necessary adjustments to their sanctions with a view to comply with the commitments made in the Commission's Communication and to create a more balanced legal situation inside the EU.

Total indicative amount available: EUR 50 000.

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<sup>29</sup> COM(2013)324 final of 6 June 2013

### 7.2.2. *Expected results for "Legal training and studies"*

The expected results for the specific legal actions described in section 7.2 are given below, together with the indicators that enable the measurement of these results.

1. The development of high profil research activities, including comparative law studies, measured through the number of research activities and comparative law studies co-financed and their quality and novelty aspects;
2. The improved cooperation between practitioners and academics expressed through the number of legal training events (conferences, seminars, work-shops) co-financed, the number of participants attending these events and the satisfaction rate expressed by the participants;
3. The improved awareness of the judiciary and other branches of the legal profession for the protection of the financial interests of the Union measured through the number of scientific publications distributed to the stakeholders, the type and number of methods of dissemination of scientific knowledge concerning the protection of the financial interests of the Union used.

### 7.2.3. *Criteria for co-financing grants up to 90%: Legal training and studies*

The Hercule III Regulation provides for the possibility to increase the maximum co-financing rate of grants from 80% to a maximum of 90% in exceptional and duly justified cases<sup>30</sup>. The criteria that will be used for the legal training and studies sector refer to actions undertaken by *scientific* organisations that are specifically created for the promotion of studies in European criminal law and for supporting the creation of networks in this area, and have as an objective the protection of the financial interests of the Union.

### 7.2.4 *Indicative budget and planning "Legal training and studies"*

Date of publication of the Call for Proposals and Call for Tenders on OLAF's website	First semester 2014
Deadline for submission of applications/tenders	Second semester 2014
Indicative date for informing applicants/tenderers	Second semester 2014
Total indicative amount	EUR 600 000
Maximum rate of grant co-financing of the total eligible costs	80 % (90% in exceptional and duly justified cases)

<sup>30</sup> Article 10 (4) of Regulation 250/2014

## **8. MONITORING AND REPORTING**

### **8.1. Monitoring<sup>31</sup>**

The Commission (OLAF) will monitor the implementation of the programme by using the information it receives from the beneficiaries on the expected results (see previous sections 6 and 7). This information should provide the Commission (OLAF) the input to assess the key performance indicators<sup>32</sup> used to measure the achievement of the programme's objectives, in particular the programme's specific objective:

- a) the number of seizures, confiscations and recoveries following fraud cases detected by joint actions and cross border operations;
- b) the added value and effective use of the co-financed technical equipment;
- c) the exchange of information among Member States on the results achieved with the technical material;
- d) the number and type of training activities, including the amount of specialised training.

### **8.2. Reporting**

#### **8.2.1 Information to be submitted by beneficiaries of grants and contracts<sup>33</sup>**

Grant beneficiaries will be required to submit a final report of the action together with the request for final payment. For grants awarded under technical assistance, the beneficiary shall submit a "Final Technical Report" once the equipment purchased under the grant has been delivered and installed and once this equipment has become fully operational. The Commission (OLAF) shall approve this report before the final payment can be made. One year after the final payment, the beneficiary shall submit a "Final Implementation Report". The templates for the reports are annexed to the grant agreement and the beneficiary will report on the main results achieved with the action for which financial support under the Programme has been provided.

The suppliers of procured technical assistance actions under the Programme, such as the databases, shall report on the implementation by providing for example information on the use of the databases.

The beneficiaries of a grant under the "Conferences, seminars and digital forensics training" and "Legal Training and Studies" sectors have to report on their action's results. The request for the final payment will be accompanied by the "Final Technical Report" and the "Final Financial Report" (templates will be annexed to the grant agreement).

These reports will be approved by the operational and financial OLAF units before the final payment will be made to the beneficiary.

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<sup>31</sup> According to Article 13 of Regulation 250/2014 (Monitoring and Evaluation), the monitoring activities are directed at the monitoring of the implementation and the results of the actions undertaken within the framework of the Hercule III programme in order to determine to what extent the objectives were achieved. Article 12 (1) of Regulation 250/2014 deals with the protection of the financial interests of the Union when actions financed under Regulation 250/2014 are implemented.

<sup>32</sup> Article 4 of Regulation 250/2014

<sup>33</sup> Articles 4 and 13 (3) of Regulation 250/2014

Contractors under "Conferences, seminars and digital forensics training" have to submit an invoice for payment accompanied by a "Final Financial Report and a "Final Technical Report" and any other documents requested in relevant specific contracts and tender specifications.

### ***8.2.2 Reporting by the Commission on the implementation of the Programme***

The Commission shall on an on-going basis disseminate, ***including on relevant websites (OLAF, Commission)***, the results of the activities supported under the Programme ***to increase transparency on the use of the funds***<sup>34</sup>. This information includes for example the announcements in relation to Calls for Proposals and Calls for Tender to be launched, the grants and contracts that were awarded as well as information on the specific results achieved under actions that received financial support.

### ***8.2.3 Annual Information on the implementation of the Programme***

The Commission will present from 2015 onwards an annual report to the European Parliament and to the Council, with information on the implementation of the Programme, including on the achievement of the objectives of the Programme and the results. It also contains the list of end beneficiaries, who received financial support under the Hercule III Programme<sup>35</sup>. This report shall further contain information on the consistency and the complementarity of the funded actions with other relevant programmes and actions at Union level. This annual report shall be annexed to the Report from the Commission to the European Parliament and the Council on the Protection of the European Union's financial interests ("Article 325 Report")<sup>36</sup>.

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<sup>34</sup> Article 11 of Regulation 250/2014

<sup>35</sup> Article 13 (1) of Regulation 250/2014

<sup>36</sup> This report is drafted on the basis of Article 325 of the TFEU (The "PIF report"). The annual information will be provided in an annex to this Commission report.

## 9. SUMMARY TABLE

<b>Actions</b>	<b>EU-Funding</b>	<b>Indicative amounts in EUR</b>
Technical Assistance	Grants: Cigarettes and Investigation Support	7 450 000
	Procurement: Databases	2 400 000
	Procurement: Analysis of samples for seized cigarettes and tobacco	200 000
	Procurement: Development and implementation of IT-tools for data-analysis	200 000
<b>Total (min 70%)</b>		<b>10 250 000</b>
Training	Grants: Antifraud training	900 000
	Procurement: Conferences	1 100 000
	Procurement: Forensic Computing	800 000
	Grants: Legal Training and Studies	550 000
	Procurement: Legal Training and Studies	50 000
<b>Total (max 25%)</b>		<b>3 400 000</b>
Other (max 5%)	To be determined	<b>27 700</b>
<b>Indicative Grand Total</b>	<b>Grants &amp; Procurement</b>	<b>13 677 700</b>