

Protection of the financial interests of the European Union: Hercule III programme (2014-2020)

2011/0454(COD) - 15/01/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 644 votes to 14 with 12 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the Hercule III programme to promote activities in the field of the protection of the European Union's financial interests.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of an agreement between Parliament and Council. They amend the proposal as follows:

Added value: Parliament stated that the Programme must also contribute to increased transnational cooperation and coordination at Union level, between Member States' authorities, the Commission and the European Anti-Fraud Office (OLAF).

Specific objective: attaining the specific objective of the Programme - to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union – must be measured referring to **target levels** and baselines and through all of the **following key performance indicators**:

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

Operational objectives: these shall be:

- to improve the prevention and investigation of fraud and other illegal activities beyond current levels by enhancing transnational and multi-disciplinary cooperation;
- 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;
- 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;
- 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.

Financial envelope: this shall be **EUR 104 918 000**, (in current prices) for the period from 1 January 2014 to 31 December 2020. The Commission may depart from the indicative allocation of funds laid down in the Annex, but may not increase the allocated share of the financial envelope by more than 20 % for each type of action.

Type of financial intervention and co-financing: the co-financing rate for grants awarded under the Programme shall not exceed 80 % of the eligible costs. In exceptional cases, such as cases concerning Member States exposed to a high risk in relation to the financial interests of the Union, the co-financing rate shall not exceed **90 %** of the eligible costs.

OLAF's investigations: the amended text states that OLAF may carry out investigations, including on-the-spot checks and inspections with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union.

Monitoring and evaluation: to increase transparency on the use of the funds, the Commission shall provide the European Parliament and the Council, **on an annual basis**, with information on the implementation of the Programme, including an **independent** mid term report on the implementation of the Programme and a final evaluation report on the achievement of the objectives of the Programme, including its added value.

All participating countries and other beneficiaries shall provide the Commission with all the data and information necessary to increase transparency and accountability and to permit the monitoring and evaluation.