

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

2011/0454(COD) - 26/02/2014 - Final act

**PURPOSE:** to establish the 'Hercule III' Programme to combat fraud and to protect the taxpayers' money for the period from 1 January 2014 to 31 December 2020.

**LEGISLATIVE ACT:** Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC.

**CONTENT:** Hercule III was inspired by two previous programmes, Hercules and Hercules II, which covered the periods 2004-2006 and 2007-2013, respectively. It is designed to protect the financial interests of the Union by contributing to the actions carried out at Union level and the Member States **in particular to combat cigarette smuggling and counterfeiting**.

The Programme in particular shall create savings deriving from **the collective procurement of specialised equipment and databases** to be used by the stakeholders and those derived from specialised training.

**Eligible actions:** the Programme shall in particular support the following actions:

- **specialised technical assistance** for the competent authorities of the Member States (such as providing specific knowledge, specialised and technically advanced equipment and effective information technology (IT) tools facilitating transnational cooperation and cooperation with the Commission; support in setting up cross-border operations; supporting Member States' capacity to store and destroy seized cigarettes; exchange of personnel and data);
- **organisation of targeted specialised training**, and risk analysis training workshops (such as exchange of experience and best practices; coordination of the activities of participating countries, and representatives of international organisations; raising the awareness of the judiciary).

**Financial envelope:** this is established at **EUR 104 918 000** (in current prices) for the period from 1 January 2014 to 31 December 2020 (including at least 70% for technical assistance and 25% maximum for training).

In exceptional cases, for example, concerning Member States exposed to high risks, the maximum co-financing rate of **90%** of the eligible costs will apply.

**Protection of the financial interests of the Union:** the Commission must ensure such protection when implementing financed actions by the application of preventive measures of effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by administrative and financial penalties. The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections.

**Monitoring and evaluation:** in the interests of transparency, the Commission shall provide the European Parliament and the Council, on an annual basis, with information on the implementation of the

Programme. It must present an independent mid-term evaluation report by 31 December 2017 and a final evaluation report by 31 December 2021.

ENTRY INTO FORCE: 21/03/2014. The Regulation shall apply from 01/01/2014.

DELEGATED ACTS: the Commission may adopt delegated acts in order to provide for a degree of flexibility in the allocation of funds. The power to adopt delegated acts is conferred on the Commission for a period of **seven years from 21 March 2014**. The European Parliament or the Council may raise objections in regard to a delegated act within two months of notification of that act (this period may be extended by two months). If the European Parliament or the Council make objections, the delegated act will not enter into force.