

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

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The Commission presented a mid-term evaluation of the Regulation (EU) No 250/2014 of the European Parliament and of the Council establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme).

The time period covered by the evaluation is the first half of the seven year period that Hercule III programme lasts for, starting on 1 January 2014 (when the Regulation entered into force) until June 2017. To perform the mid-term evaluation, the Commission services relied primarily on the external contractor's study, as well as the impact assessment carried out at the time of the legislative proposal for the programme, the Commission's evaluation of the previous Hercule programme, the annual work programmes of Hercule III, and the annual overviews on the implementation of the programme that are prepared by the Commission.

The mid-term evaluation has shown that the **Hercule III programme, in its present form and at this stage of its implementation, has largely fulfilled its mission:**

- the specific and operational objectives of, and activities under, the programme continue to be **relevant**. The drivers behind the Commission's proposal for the Hercule III programme are still prevalent today, in particular the occurrence of fraud to the EU financial interests;
- the evaluation showed that the **internal and external coherence** of the programme was ensured. Internal coherence is primarily ensured by the allocation of the budget for the period 2014-2020 (EUR 104.9 million) between the different categories of actions. Additionally the Commission, at the selection stage, examines the applications with a view to also prevent possible overlaps and repetitions;
- the evaluation found that the **programme has been effective**: the programme financed actions which, by nature (e.g., by financing scanners to detect smuggled goods, or supporting digital forensic trainings to the benefit of national services in charge of investigating cases involving the EU financial interests), clearly contributed to the protection of the EU financial interests. With regards to technical assistance, the timing for the evaluation, i.e. early in the life of the programme, made it challenging to further substantiate the above finding that the programme is effective;
- the stakeholders almost unanimously recognised the **added value** of the programme. The majority of stakeholders also considered that the benefits from the programme would not materialise without the support of Hercule III or equivalent EU funding. The actions allowed for a better protection of the Union's external borders. The programme is an enabler for cross-border cooperation, in particular cross-border exchanges of information and best practices;
- there is a consensus among beneficiaries that the actions funded under the programme will **continue producing benefits, even after their completion**. This was particularly relevant for technical assistance actions where the deployment of equipment will continue generating results beyond the closing date of the activity;
- on the revenue side, it contributes to securing the financial means necessary for the initiatives taken to achieve the **Europe 2020** strategy's objectives and, on the expenditure side, it contributes to ensuring that these resources are not diverted to other ends.

Suggestions for improvements: some ideas have been tabled of possible new objectives and activities for the programme going forward. **These ideas, with the limitation that the external study did not test to what extent they are shared by a large part of the stakeholders, could feed into the Commission services' reflection for the next three years of the life of the programme**, in particular in the areas of cross-border cooperation between Member States, cooperation with non EU partners, as well as new technological developments.

These ideas will also feed into the wider reflection about the support to antifraud activities in the context of the preparations for the future multi-annual financial framework post-2020.