

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

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This Commission staff working document concerns the annual overview with information on the results of the Hercule III programme in 2017.

The legal basis of the programme requires the Commission to adopt an annual work programme for the implementation of the programme and to submit a report on the main results and achievements every year to the European Parliament and to the Council.

This is the **fourth annual overview** of the achievements and results.

Actions: the overview covers information on actions (technical assistance, training and other actions) for which financial commitments were made under the 2017 annual work programme, as well as the results of actions that were finalised in 2017, but committed under the Hercule programme in previous years.

As regards technical assistance, the amount committed was higher than the earmarked budget in the annual work programme. At the end of 2016, appropriations that were not committed for other types of eligible actions were transferred to technical assistance. The payments under the grant agreements and most of the contracts signed in 2017 cannot be reported as most of them will only be made in 2018 and beyond.

Findings: the report highlighted that overall the programme continues to be an important and **effective tool** in the protection of the financial interests of the Union. The results demonstrated that the actions undertaken with support from the programme contributed to the prevention and fight against fraud, corruption and other illegal activities affecting the financial interests of the Union.

The **relevance** of the programme's aims and objectives is supported by the findings of the mid-term evaluation carried out in 2017. In particular because of the relatively modest size of the programme, the demand for financing from eligible bodies consistently exceeds available funds.

The introduction of the **electronic submission and processing** of grant applications was an important development in 2017 which has considerably shortened the time for notifying applicants about the outcome of the evaluation procedure. As its full implementation continues, this electronic system is expected to reduce the administrative burden for applicants, grant beneficiaries and the Commission.

Revised EU financial Regulation: this is expected to enter into force in July 2018. It will further **simply the beneficiaries' access to EU funds**. The new rules will emphasise the achievement of results, reducing the administrative burden for both beneficiaries and authorities, who will be able to focus on policy achievements rather than collecting and checking financial documents. The risk of error will also decrease and it will become easier for small beneficiaries with limited resources to access EU funds.

Way forward: the Hercule III programme will come to an end on 31 December 2020. Acknowledging the contribution of the Hercule III programme, the Commission has adopted on 30 May 2018 a [proposal for a new anti-fraud programme](#) under the financial framework 2021-2027. The proposal is essentially to **replicate the Hercule programme**, and combine it with two activities carried out by OLAF: the Anti-

Fraud Information System (AFIS) which supports, essentially, operational activities in the area of mutual administrative assistance between Member States' customs authorities, and the Irregularity Management System (IMS), an IT system that allows the Member States to report detected irregularities to EU funds and which supports the management and analysis of these. This combination will create synergies and flexibility between the three components of the new programme.