

Fight against fraud: protection of the Community financial interests, Hercule action programme 2004-2006

2003/0152(COD) - 27/05/2003 - Legislative proposal

PURPOSE : to establish a basic instrument by setting up a Community action programme for Commission grants in the field of the protection of the Community's financial interests (HERCULE). **CONTENT :** the Community and the Member States have set themselves the objective of countering fraud and any other illegal activities affecting the Community's financial interests. All available means must be deployed to attain that objective, whilst maintaining the current distribution and balance of responsibilities between the national and Community levels. Activities and bodies with the purpose of providing better information, carrying out studies and providing training or technical and scientific assistance in the fight against fraud help significantly to protect the Community's financial interest. Specific activities in this field should therefore be promoted and bodies engaged in this field should be supported by means of operating grants. In light of the ongoing process of reforming the Commission and in particular the adoption of Council Regulation 1605/2002/EC, Euratom on the Financial Regulation applicable to the general budget of the European Communities, basic instruments need to be adopted for a number of grants that were financed to date without being covered by a specific basic instrument. Of the grants that will in future need to be covered by a basic instrument, there are several that have been made by the Commission to protect the Community's financial interests. Article 280 of the EC Treaty requires the Community's financial interests to be effective and equivalent throughout the Union, for which the Community and the Member States share responsibility. With this in mind, the purpose of the proposed decision is to establish a Community action programme to promote activities in the field of the protection of the Community's financial interests (the programme 'HERCULE'). It covers both grants for specific measures, e.g. studies, conferences or training, and operating grants to bodies operating in this field, such as associations set up to promote the protection of the Community's financial interests. The recipients of such grants will have to satisfy certain conditions specified in the proposed decision and the annex to it. In particular, they must be located in one of the Member States of the Union or in another European or neighbouring country with which the Community has concluded agreements regarding the Communities' financial interests. This coverage is justified by the need to protect the Community's financial interests beyond the existing Member States where the Union has a close involvement with these other countries, especially in connection with enlargement. Recipients will be selected by means of a call for proposals, subject to the priorities contained in each annual grants programme detailing the general criteria of the Community action programme set up by this proposal for a decision. It is proposed that the Community action programme cover the period from the beginning of January 2004 to the end of December 2008. The recipients of such grants will have to satisfy certain conditions specified in the proposed decision and the annex to it. In particular, they must be located in one of the Member States of the Union or in another European or neighbouring country with which the Community has concluded agreements regarding the Communities' financial interests. Recipients will be selected by means of a call for proposals.

FINANCIAL STATEMENT : - budget line : 24.02.04 (ex COM A03600 A03010 in 2003) : support for the activities of the associations of European lawyers for the protection of the financial interests of the Community; 24.02.05 (ex B5-910 in part in 2003) Co-financed general measures to combat fraud; - total allocation for action : it is proposed that the Community action programme cover the period from the beginning of January 2004 to the end of December 2004. The amounts earmarked for the programme are based on the grants made under the European Communities budget for 2003, which total EUR 3 375 000. To take account of enlargement, which is likely to have the effect of increasing the number of activities and bodies eligible for grants, it is proposed that the average annual amount to be set at EUR 4 297 000 a year, which gives total funding of EUR 21 485 000 from 2004 to 2008.