

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

2003/0152(COD) - 11/11/2003 - Court of Auditors: opinion, report

This document comprises of the Opinion 8/2003 from the Court of Auditors on a proposal for a decision of the European Parliament and of the Council establishing a Community action programme to promote activities in the field of the protection of the Community's financial interests. The Court welcomes the Commission proposal as an initiative in favour of the protection of the Community's financial interests. The Court also appreciates that a specific 'basic instrument' is proposed for this initiative. The Court considers, however, that the Commission proposal could be improved as suggested hereafter: - the Decision proposed should clearly state which needs the programme, called 'Hercule', should satisfy that are not yet taken into account within the existing framework of measures for the protection of the Community's financial interests; - Article 27(3) of the Financial Regulation provides that 'specific, measurable, achievable, relevant and timed objectives' shall be set for all the sectors of activity covered by the budget. The proposed 'Hercule' programme does not fully comply with these provisions, as its objectives are rather indefinite and only refer to activities of a general nature, like 'organisation of seminars and conferences', 'promotion of scientific studies and discussions', 'coordination of activities', 'training and awareness', 'dissemination of scientific information', 'technical assistance', etc. Sometimes the objectives are somewhat contradictory, as when they are defined as 'aligning the substance of activities so as to ensure effective and equivalent levels of protection on the basis of mutually agreed best practice while also respecting the distinct traditions of each Member State'; - Article 7 (Monitoring and evaluation) of the draft decision states that 'by 31 December 2009 at the latest, the Commission shall report to the European Parliament and to the Council on the achievement of the objectives of this programme. The report shall be based on the results obtained by the beneficiaries and assess, in particular, their effectiveness in achieving the objectives defined in Article 1 and the Annex'. Clear, technically well-defined and measurable objectives would facilitate a serious, factual and useful evaluation of achievements; - furthermore, a report only after the end of the programme, when the whole of the expenditure has been made, does not seem appropriate. Information on the achievements and results obtained should be presented regularly, e.g. with the annual grants programmes and calls for proposals; - concerning the financial aspects, it appears from the fourth recital of the proposal and the annexed 'legislative financial statement' that the Commission intends to use around EUR 2,0 million of the total allocation of around EUR 21,5 million to support 'conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community'. It is important that the money be used in the most efficient way. Therefore, the calls for proposals should be carried out according to the principle of a fair competition among all technically qualified authorities and bodies. According to the 'legislative financial statement', the abovementioned amount of around EUR 2,0 million, spread over the five years of the duration of the programme, should be entered in a specific budget article (24 02 04) and the rest of the annual allocation in another budget article (24 02 05); - in accordance with the budgetary principles of specification and transparency, the appropriations relative to the 'Hercule' programme should be entered in a single budget article, as has been done for the 'Pericles' programme. This article could be subdivided into items corresponding to specific activities to be carried out within the framework of the programme, if such activities are clearly identified and described in the decision setting up the programme.