

Basic information	
<b>2003/0152(COD)</b> COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
Fight against fraud: protection of the Community financial interests, Hercule action programme 2004-2006  Repealed by <a href="#">2011/0454(COD)</a> Amended by <a href="#">2006/0114(COD)</a>  <b>Subject</b>  8.70.04 Protecting financial interests of the EU against fraud	

Key players			
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>
	<div>CONT</div> Budgetary Control		BÖSCH Herbert (PSE)
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>
	<div>BUDG</div> Budgets		DÜHRKOP DÜHRKOP Bárbara (PSE)
	<div>ECON</div> Economic and Monetary Affairs		The committee decided not to give an opinion.
Council of the European Union			
European Commission	<b>Commission DG</b>		<b>Commissioner</b>
	European Anti-Fraud Office (OLAF)		

Key events			
Date	Event	Reference	Summary
27/05/2003	Legislative proposal published	COM(2003)0278 	Summary
01/09/2003	Committee referral announced in Parliament, 1st reading		
19/02/2004	Vote in committee, 1st reading		Summary
19/02/2004	Committee report tabled for plenary, 1st reading	A5-0087/2004	
09/03/2004	Decision by Parliament, 1st reading	T5-0127/2004	Summary

05/04/2004	Act adopted by Council after Parliament's 1st reading		
21/04/2004	Final act signed		
21/04/2004	End of procedure in Parliament		
30/04/2004	Final act published in Official Journal		

#### Technical information


<b>Procedure reference</b>	2003/0152(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Decision
<b>Amendments and repeals</b>	Repealed by <a href="#">2011/0454(COD)</a> Amended by <a href="#">2006/0114(COD)</a>
<b>Legal basis</b>	EC Treaty (after Amsterdam) EC 280-p4
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	CONT/5/19820

#### Documentation gateway

##### European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0087/2004</a>	19/02/2004	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0127/2004</a> OJ C 102 28.04.2004, p. 0026-0108 E	09/03/2004	<a href="#">Summary</a>

##### European Commission

Document type	Reference	Date	Summary
Legislative proposal	<a href="#">COM(2003)0278</a> 	27/05/2003	<a href="#">Summary</a>

##### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	RCC0008/2003 OJ C 318 30.12.2003, p. 0005-0006	11/11/2003	<a href="#">Summary</a>

#### Additional information

Source	Document	Date
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European Commission	EUR-Lex	
<b>Final act</b>		
<a href="#">Decision 2004/0804</a> <a href="#">OJ L 143 30.04.2004, p. 0009-0014</a>		<a href="#">Summary</a>

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

2003/0152(COD) - 21/04/2004 - Final act

**PURPOSE** : to establish the "Hercule programme" to promote activities in the field of the protection of the financial interests of the Community.

**LEGISLATIVE ACT** : Decision 804/2004/EC 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 (Hercule programme).

**CONTENT** : This Decision establishes the "Hercule" programme, the purpose of which is to help protect the Community's financial interests. It will do this by promoting activities and supporting bodies in accordance with the general criteria set out in the Annex and specified in detail in each annual grants programme. The Programme must take transnational and multidisciplinary aspects into account. It must focus on aligning the substance of activities so as to guarantee effective and equivalent levels of protection on the basis of mutually agreed best practice while also respecting the distinct traditions of each Member State. The Decision sets out the terms for access to the programme and rules on participation. To qualify for a Community grant for an activity aimed at protecting the Community's financial interests, grant beneficiaries must comply with the provisions set out in the Annex. The activity must take account of the specific criteria laid down in the related calls for proposals, in accordance with the priorities set out in the annual grants programme detailing the general criteria set out in the Annex. The amount of a grant for an activity awarded under the programme may not exceed the following rates: - 50 % of eligible expenditure for technical support; - 80 % of eligible expenditure for training measures, promoting exchanges of specialised staff and the holding of seminars and conferences, provided that the beneficiaries are those referred to in the Annex; - 90 % of eligible expenditure for the holding of seminars and conferences, etc., provided that the beneficiaries are those referred to in the Annex. The amount of an operating grant may not exceed 70 % of the eligible expenditure of the body for the calendar year for which the grant is awarded. Where such operating grants are renewed, they are to be gradually decreased. If a grant is awarded to a body which received an operating grant the preceding year, the percentage of Community co-financing represented by the new grant must be at least 10 percentage points lower than the Community co-financing percentage represented by the grant in the preceding year. The programme starts on 1 January 2004 and end on 31 December 2006. The financial framework for the implementation of the programme for the period 2004 to 2006 is EUR 11775000. **ENTRY INTO FORCE** : 01/05/04.

## 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.

## **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.

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

2003/0152(COD) - 09/03/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Herbert BÖSCH (PES, A) and made some amendments to the Commission's proposal. (Please see the document dated 19/02/04.) Parliament specified that the amount of a grant for an activity awarded under the programme might not exceed the following rates: -50% of eligible expenditure for technical support; -80% of eligible expenditure for training measures, promoting exchanges of specialised staff and the holding of seminars and conferences, provided that the beneficiaries are those specified in the decision; -90% of eligible expenditure for the holding of seminars and conferences, for certain other beneficiaries. The Commission's proposal stated that the grant should not exceed 90% of the eligible expenditure of the body for the calendar year for which the grant is intended.