This Annex contains a template for the technical implementation reports as requested under Article II.23 (“Technical and Financial reporting – requests for payment and supporting documents”) of the grant agreement as well as the requirements under point 3.2 of the specifications of the Technical Assistance Call for Proposals 2016 (“Expected Results” and “Deliverables”).

Beneficiaries are requested to submit a "Final Technical Report" and a "Final Financial Report" together with the request for final payment. One year after the closing date indicated in the grant agreement, the beneficiary shall submit a "Final Implementation Report". The reports shall provide the input for the key performance indicators drawn up to monitor the achievement of the Programme's objectives; the information needed to determine the impact of the action and to assess the effectiveness and efficiency of the implementation of the Programme's actions as requested under Regulation 250/2014 establishing the Hercule III Programme.

A. "Final Technical Report" - TEMPLATE

The grant was awarded for an action that aimed at:

a) The strengthening of the operational and investigative capacity of the applicant, by improving the quality, efficiency and effectiveness of specialized technical hardware and technical support used in detecting and monitoring any illegal activity perpetrated against the Union's financial interests. It shall lead to a faster and more efficient detection of, for example, smuggled cigarettes and tobacco, illicit goods, corruption or the identification of new fraud schemes and modi operandi;

b) Improved skills and competences of the applicant's staff that will operate the equipment purchased under this action;

c) The improvement of the quality of evidence gathered by the applicants during operations and investigations related to suspicions or allegations of fraud, corruption and any other illegal activities perpetrated against the Union's or national budget, inasmuch as these illegal activities may have an impact on the Union's financial interests. The improved quality of evidence has to contribute to speeding up legal proceedings in Member States and to reducing the number of dismissals due to prescription, inadmissible evidence, procedural errors or methodological mistakes made during the investigation.

The Final Technical Report shall demonstrate to what extent these aims have been achieved. The report shall be drafted by using the following structure:

A.1 References of the Action

This section has to include information on the grant beneficiary (Name of the organisation, Member State), the grant (Amount of the grant, number, duration).

A.2 Description of the Action

This section shall briefly describe the action for which the grant was obtained, and shall indicate any modifications that occurred after the grant was awarded.

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2 See point 3.1 ("Expected results") of the specifications of the Technical Assistance Call for Proposals 2016.
A.3 Implementation of the Action

This section shall briefly describe how the action was implemented (procurement activities and (sub-) contracting, grants, etc.) and what problems or difficulties (if any) occurred and how these were addressed. Problems in relation to suppliers (timely delivery, quality, reliability) are particularly important to mention. Suggestions for improvement or for sharing the information with other national and regional administrations can be mentioned as well.

A.4 Results of the Action

This section shall provide an overview of the main results of the action. It shall include a description of:

a) A qualitative description of the results mentioned above. It shall contain, inter alia, information on qualitative improvements in existing technical systems that support the investigative and operational activities of the applicant and its staff. It shall also describe how it contributed to the improvement of evidence gathered in operations and investigations carried out to protect the Union’s and the Member State's financial interests;

b) Information on the results of operations and investigations that were enabled or facilitated by using the equipment purchased under this action and that can be directly linked to this action. The results must be linked to the Union’s financial interests and could be, for example, the number of arrests and convictions, seizures of contraband (including smuggled cigarettes and tobacco), bootleg and counterfeited tobacco products;

c) A short description of the activities the applicant has undertaken to train its staff in the use, maintenance and management of the purchased equipment. This shall also indicate what overall efficiency gains were obtained;

d) A discussion on the results achieved with the action in relation to the objectives of the Hercule III Programme. This discussion should clearly highlight the added value and benefits the action generated for the protection of the Union’s financial interests. The report shall contain the necessary information for the key performance indicators drawn up to monitor the achievement of the Programme’s objectives; the information needed to determine the impact of the action and to assess the effectiveness and efficiency of the implementation of the Programme's actions.

The results reported in the final technical report and the final implementation report may be used by the Commission in its annual overview of the implementation of the Programme. This annual overview is requested under Article 13 of Regulation 250/2014. The Commission will not disclose information that could endanger on-going investigations. If a beneficiary does not want that these results are disclosed or disseminated in the Commission’s annual overview, it must clearly explain this in the application.

A.5 Contribution of the Action to the protection of the EU's financial interests

This section shall indicate how the action contributed to the protection of the EU's financial interests. It shall for example describe the results of operations undertaken to combat smuggling and counterfeiting of cigarettes; operations to investigate corruption, conflicts of interests and other irregularities suspected during the implementation of projects funded by EU programs (Structural and Cohesion Funds, Common Agricultural Policy, TEN's, Erasmus, External Assistance, etc.); operations to fight VAT-fraud, etc.

This section can also be used to include information that could be shared with other national or regional administrations, for example on new fraud schemes developed by individuals or groups that are suspected of irregularities or fraud against the EU's financial interests.
A.6 Any other information

This section can be used to include any other information that is considered to be relevant for the action or for the programme. This also includes suggestions for improvement for the programme, the management of the programme or new requirements that have to be taken into account under the programme.

B. Final Implementation Report – Template

With the signature of the grant agreement, the beneficiary has committed itself to submit a final implementation report one year after the closing date of the grant agreement. This report shall contain the main results achieved with the action, in particular the results of operations that were on-going at the moment of submission of the final technical report.

This report has to be an update of the information provided under point 4.2 of the Final Technical Report. The structure of the "Final Implementation Report" can be similar to the structure for the "Final Technical Report". It shall however provide information on new operations initiated after the closure of the grant agreement and it shall report on the follow-up –if available- of the actions previously reported, such as information on convictions, recovered amounts, information shared with other law enforcement services.

B.1 References and description of the Action

See sections A.1 and A.2 above as well as a short reference to the final technical report.

B.2 Results of the action

See section A.4

B.3 Contribution of the Action to the protection of the EU’s financial interests

See section A.5

B.4 Any other information

See section A.6
C. **Final Financial Report**

1. The financial situation is based on the budget of the action as specified in Annex III of the grant agreement. The financial situation has to give details of all expenditure and has to be expressed in Euro;

2. Costs incurred in relation to activities not foreseen in the project and consequently not budgeted or modifications of actions, for which an amendment was not issued are not eligible;

3. Costs in any subheading of expenditure (Technical equipment, Consumables and supplies, travel and subsistence costs, any other direct costs) over and above that foreseen in the budget plus 15% are not eligible;

4. All costs related to the action must be settled and paid in full (100%) by the beneficiary;

5. It should be noted that VAT paid by a public body is not eligible;

6. The amount and the percentage of VAT must be indicated on the invoice. If the VAT was paid separately, the beneficiary must annex a copy of the proof of payment, showing the amount and percentage of VAT;

7. The invoices proving the project costs have to comply with the obligatory requirements for invoices: An invoice must give information as to whom (name, address, VAT number if applicable) delivered to whom (name, address) what kind of service/equipment (description of service/equipment), when (dates) and at what rate. In cases where these elements are not shown on the invoice, the beneficiary should provide the relevant details;

8. The beneficiary must provide certified copies of all invoices relating to actual expenditure, as well as copies of proof of payment for each of the invoices. This information shall be provided in electronic form;

9. All actual expenditure should correspond to an amount/amounts invoiced by a supplier. This documentation should be clearly indicated by a reference on the financial report and on the copy of the invoice;

10. The Commission makes all payments and other financial transactions related to the grant agreement in Euro;

11. The beneficiary calculates the balance of the grant to be received on the basis of the final total cost of the project in Euro, and the amount received as a first instalment (as specified in Article I.4.1 of the grant agreement);

12. The beneficiary should pay special attention to Article II.25 *(Determining the final amount of the grant)* of the grant agreement and to Article I.4 (Additional provisions and reporting, payments and payment arrangements) of the grant agreement.

13. The beneficiary should use the exchange rate of the month when the final report is submitted. Any conversion of costs from other currency into Euro incurred outside the euro zone shall be made at the monthly accounting rate established by the European Commission and published on the following website: [http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm);

14. The beneficiary shall report by using the template included in the spreadsheet file that is made available for this purpose on the Commission’s website.