

**LEGAL BASIS**

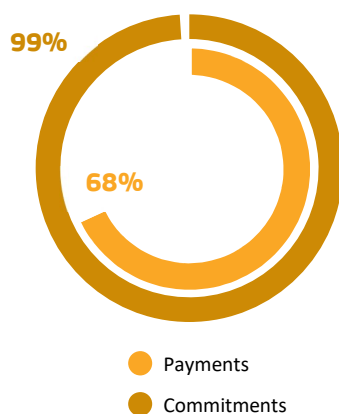
Regulation (EU) No 250/2014 of the European Parliament and of the Council and repealing Decision No 804/2004/EC

**MORE INFORMATION**

<http://europa.eu/!ry89dk>

**BUDGET ALLOCATION 2014-2020**

EUR 104.9 million

**OVERALL EXECUTION  
(2014-2020)****Evaluations/  
studies conducted**

The midterm evaluation of the Hercule III programme was carried out in 2017. For further information, see: <http://europa.eu/!Jq37nB>

**How is it implemented?**

The European Anti-Fraud Office is the lead service for the implementation of the programme. The programme is implemented through direct management.

# HERCULE III

## PROGRAMME TO PROMOTE ACTIVITIES IN THE FIELD OF THE PROTECTION OF THE FINANCIAL INTERESTS OF THE EUROPEAN UNION

**What is Hercule III?**

Hercule III is the latest EU anti-fraud programme, following on from Hercule II (2007-2013). It helps Member States fight fraud, corruption and other illegal activities. It helps finance practical projects, such as the purchase by national authorities of sniffer dogs, X-ray scanners and other technical equipment, to stamp out smuggling and other criminal activities that are against the EU's financial interests.

The programme protects the EU's financial interests by supporting action to combat irregularities, fraud and corruption affecting the EU budget. This includes combating tobacco smuggling, which remains a major concern, accounting for estimated annual losses of at least EUR 10 billion to national and EU budgets. Helping to fund technical equipment in harbours and airports aims to boost national authorities' capacity to fight smuggling. Hercule III also finances training activities. It helps national authorities share best practices through seminars and conferences on issues such as preventing corruption in procurement procedures. Another facet of the programme is training to boost and update the digital forensic skills of law enforcement staff.

The programme contributes to:

- the development of activities at EU and Member State level to counter fraud, corruption and any other illegal activities affecting the financial interests of the EU, including the fight against cigarette smuggling and counterfeiting;
- increased transnational cooperation and coordination at EU level between Member State authorities, the Commission and the European Anti-Fraud Office, and in particular increased effectiveness and efficiency of cross-border operations;
- effective prevention of fraud, corruption and any other illegal activities affecting the financial interests of the EU, by offering joint specialised training for staff of national and regional administrations, and for other stakeholders.

**Specific objectives**

- To prevent and combat fraud, corruption and any other illegal activities affecting the EU's financial interests.

**Why is it necessary?**

From an EU perspective, the programme significantly contributes to the following: the development of activities at EU level to counter fraud, corruption and any other illegal activities; the increase of transnational cooperation and coordination between Member State authorities, the Commission and the European Anti-Fraud Office; and the establishment of an effective system to prevent fraud, corruption and any other illegal activities affecting the financial interests of the EU.

The programme creates in particular savings deriving from the collective procurement of specialised

equipment and databases to be used by stakeholders and those derived from the specialised training.

**Outlook for the 2021-2027 period**


Together with the Anti-Fraud Information System and the Irregularity Management System, Hercule III will be merged into the new anti-fraud programme for the next multiannual financial framework.

**Budget implementation (in million EUR)**

EXECUTED COMMITMENTS		EXECUTED PAYMENTS	
14.8	2018	8.0	
15.9	2019	13.9	
16.3	2020	10.1	

## Key performance indicators

	Baseline	PROGRESS TO TARGET	Target	Results	Assessment
Percentage of users that felt the use of Hercule III-funded equipment added value to their activities		 > 100%	75%	93% of beneficiaries compared to a target of 75%	On track
Satisfaction rate for training activities funded, including specialised training events		 > 100%	75%	94% satisfaction rate compared to a target of 75%	On track

 % of target achieved by the end of 2020

## Where are we in the implementation?

- The relatively low level of payments made can be explained by multiple factors. First, the majority of grant contracts awarded in 2018 and 2019 were extended at the request of the beneficiaries. The exceptional situation of the pandemic led to significant delays in the implementation of projects (especially in relation to the training and conference activities planned for 2020); therefore, the final reports and the final payments are still pending (and are expected for 2021). Second, the actual costs declared by grant beneficiaries were lower in the submitted final reports than the costs foreseen at the time of submitting the applications. This is mainly explained by the grants for training and conferences, where the beneficiaries encountered some cost savings (such as participant travel and subsistence costs). In technical assistance grants, this is explained by instances where public tendering allows for beneficiaries to provide equipment below the budgeted amount. Finally, some cost savings were registered for the procured activities, mainly on the conferences organised.
- The exceptional circumstances of the pandemic in 2020 had a significant impact on the general implementation of the programme in its final year, especially in terms of training and conference activities. The granting cycle was impacted by the extension of the 2020 deadlines for calls for proposals, by the virtual nature of the evaluation procedure and by the numerous requests for amendments and extensions received from the grant beneficiaries. The beneficiaries of the previous years' grants were, in most cases, not able to continue with the implementation of their projects as anticipated (both the purchase of technical equipment and the training, conferences and staff exchanges were, in many cases, delayed). The European Anti-Fraud Office offered its support in postponing the project's implementation and amending the contracts.
- 12% of the programme's budget for 2020 was transferred from procured activities to grants, ensuring the efficient implementation of the operational funds available and allowing grants to be awarded to the best-ranked applications across the calls for proposals.

## Performance assessment

- The programme has constantly achieved its objective of preventing and combating fraud through the organisation of specialised training events and the co-financed purchase of technical equipment.
- The first indicator shows an overall satisfaction rate of 93%, as expressed by users of the equipment in their final technical reports. The rate is significantly higher than the 75% target.
- Due to the COVID-19 pandemic, most training activities did not take place and were postponed. The nature of the targeted participants (mainly law enforcement officials), together with the sensitive nature of the topics to be discussed and the hope that the sanitary situation would improve, meant that the event organisers were not able to fully pursue virtual alternatives. Not taking into account the last year of the programme, there was an average of 28 training activities per year, above the target of 25 for the year 2020.

## Concrete examples of achievements

10 000	1 340	45	285	8
participants attended specialised training and conference activities co-financed by the programme between 2014 and 2020, via grants.	law enforcement officials from all Member States participated in the specialised digital forensic and analyst training, procured by the European Anti-Fraud Office over the 2014-2020 period.	high-level events focusing on the protection of the EU's financial interests were organised by the European Anti-Fraud Office during the duration of the Hercule III programme.	grants were awarded over the programme period, mainly to competent authorities in the Member States, strengthening their operational and technical capacity to carry out investigations into activities detrimental to the EU's financial interests.	commercial databases and specific information technology tools were made available each year to Member State authorities, enabling substantial economies of scale.