



Brussels, 17.12.2018
C(2018) 8568 final

COMMISSION DECISION

of 17.12.2018

**concerning the adoption of the annual work programme and the financing of the
Hercule III Programme in 2019**

COMMISSION DECISION

of 17.12.2018

concerning the adoption of the annual work programme and the financing of the Hercule III Programme in 2019

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014¹ establishing a programme² to promote activities in the field of the protection of the financial interests of the European Union (Hercule III Programme) and repealing Decision No 804/2004/EC, in particular Article 11 thereof,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules³ applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (hereinafter referred to as the 'Financial Regulation'), and in particular Article 110(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the Hercule III Programme, it is necessary to adopt a financing decision and work programme for 2019. Article 110 of the Financial Regulation establishes detailed rules on financing decisions.
- (2) In order to allow for flexibility in the implementation of the work programme, it is appropriate to define the term 'substantial change' within the meaning of Article 110(5) of the Financial Regulation.

HAS DECIDED AS FOLLOWS:

Article 1 *The work programme*

The annual work programme for implementing the Hercule III Programme in 2019 as set out in the Annex is adopted.

The annual work programme constitutes a financing decision within the meaning of Articles 110 and 111 of the Financial Regulation.

¹ OJ L 84, 20 March 2014, p. 6.

² Hereinafter referred to as the 'Hercule III Programme'.

³ OJ L 193, 30.07.2018, p. 1.

Article 2
Union contribution

The maximum contribution for implementation of the Programme in 2019 is set at EUR 15 891 200 and shall be financed from the appropriations entered in budget line 24.02.01 of the general budget of the Union for 2019.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft general budget of the Union for 2019, following the adoption of that budget by the budget authority or as provided for in the system of provisional twelfths.

Article 3
Flexibility clause

Cumulative changes to the allocations for the specific actions not exceeding 20% of the maximum contribution set in Article 2 of this Decision shall not be considered to be substantial within the meaning of Articles 110 of the Financial Regulation, where those changes do not significantly affect the nature of the actions and the objective of the work programme.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 17.12.2018

For the Commission
Günther OETTINGER
Member of the Commission



Brussels, 17.12.2018
C(2018) 8568 final

ANNEX 1

ANNEX

to the

COMMISSION DECISION

**concerning the adoption of the annual work programme and the financing of the
Hercule III Programme in 2019**

TABLE OF CONTENTS

Table of Contents	2
1. Introduction	3
1.1. Beneficiaries.....	4
1.2. Grants	4
1.3. Procurement	5
1.4. Administrative arrangements	6
2. Supported actions in 2019	6
2.1. Technical assistance	6
2.1.1. Technical assistance: actions.....	7
2.1.2. Technical assistance: criteria for 90% co-financing	9
2.1.3. Technical assistance: reporting	10
2.1.4. Technical assistance: indicative available budget and planning	10
2.2. Training	11
2.2.1. Training: actions.....	11
2.2.2. Training: criteria for 90% co-financing	14
2.2.3. Training: reporting	14
2.2.4. Indicative available budget and planning for training.....	15
2.3. Other action	15
3. Summary table: indicative amounts per type of action	16

1. INTRODUCTION

This is the sixth¹ annual work programme (AWP) for the implementation of the 2014-2020 Hercule III Programme established by Regulation (EU) No 250/2014² ("Hercule III Regulation"). The Programme aims to promote activities to protect the financial interests of the European Union by providing financial support for actions carried out by the beneficiaries referred to in Article 6 of the Regulation. The AWP is required under Article 11 of the Hercule III Regulation.

The general objective of the Hercule III Programme is 'to protect the financial interests of the Union, thus enhancing the competitiveness of the Union's economy and ensuring the protection of taxpayers' money'.

The specific objective is 'to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union'.

The operational objectives are:

- (a) to improve the prevention and investigation of fraud and other illegal activities beyond current levels by enhancing transnational and multi-disciplinary cooperation;
- (b) to increase the protection of the financial interests of the Union against fraud by facilitating the exchange of information, experiences and best practices, including staff exchanges;
- (c) to strengthen the fight against fraud and other illegal activities by providing technical and operational support to national investigation, and in particular customs and law enforcement authorities;
- (d) to limit the currently known exposure of the financial interests of the Union to fraud, corruption and other illegal activities with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;
- (e) to enhance the degree of development of the specific legal and judicial protection of the financial interests of the Union against fraud by promoting comparative law analysis.

In 2019, the Commission (European Anti-Fraud Office, OLAF) will organise **calls for proposals for technical assistance and training actions** for actions that contribute to the achievement of the Programme's objectives.

The eligible actions are described in sections 2.1 (technical assistance) and 2.2 (training).

¹ The previous annual work programmes were adopted by the following Commission Decisions: C(2014)3391 final of 26 May 2014, C(2015)2234 of 8 April 2015, C(2016)868 of 17 February 2016, C(2017)1120 final 22 February 2017 and C(2018)1763 final 28 March 2018.

² Regulation (EU) No 250/2014 of the European Parliament and of the Council (OJ L 84, 20.3.2014, p. 6).

The Programme will be **implemented by means of**:

1. Grants, following calls for proposals³ (section 1.2);
2. Public procurement contracts following calls for tender⁴ (section 1.3);
3. Administrative arrangements to be concluded with the Joint Research Centre (JRC; section 1.3).

The Programme also provides for the reimbursement of costs incurred by representatives from certain non-EU countries participating in training actions such as conferences or seminars⁵.

1.1. Beneficiaries

The **bodies eligible** to receive grants under the Programme are⁶:

- (a) national or regional administrations in a participating country⁷ which promote the strengthening of action at Union level to protect the Union's financial interests (eligible for technical assistance, training and other actions); and
- (b) research and educational institutes and non-profit-making entities that have been established and operating in a participating country for at least a year and promote the strengthening of action at Union level to protect the Union's financial interests (eligible for training and other actions).

1.2. Grants

The co-financing rate for grants will in principle not exceed 80% of eligible costs. It may be increased to a maximum of 90% in exceptional and duly justified cases, as defined in sections 2.1.2 and 2.2.2.

The budget for an action for which a grant is requested must not be lower than the threshold indicated in the specifications accompanying the call for proposals. The indicative thresholds are EUR 100 000 for technical assistance actions (section 2.1, actions 1-7), EUR 40 000 for training actions (section 2.2.1, actions 1-9).

The Commission will examine each application on the basis of:

- (a) *eligibility criteria*: verification of the applicant's eligibility:
 - technical assistance applications must be submitted by national or regional administrations, as defined in section 1.1 (a); and
 - training applications must be submitted by national or regional administrations, research and educational institutes and other non-profit making entities, as defined in section 1.1 (a and b);

³ According to the procedures laid down in Title VIII (Grants) of the Financial Regulation (FR), Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 and the Rules of Application (RAP): Commission Delegated Regulation (EU) 1268/2012 on the rules of application of Regulation 966/2012, as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015, OJ L 342 of 29 December 2015.

⁴ According to the procedures laid down in Title VII (Procurement) of the Financial Regulation.

⁵ Article 7 of Regulation (EU) No 250/2014. Costs incurred by representatives of international and other relevant organisations may also be reimbursed where their attendance is considered useful for achieving the objectives of the Programme.

⁶ Article 6 of Regulation (EU) No 250/2014 (bodies eligible for funding).

⁷ Article 7 of Regulation (EU) No 250/2014.

- applications must comply with the minimum thresholds set for the budget of the action;
 - applications can only be submitted by using the "Participant Portal" for the electronic submission of applications for grants and for the management of grant agreements⁸.
- (b) *exclusion criteria:* verification of applicants' compliance with Articles 136(1), 141, 142, 143 and 196 of the Financial Regulation;
- (c) *selection criteria:* in accordance with Articles 198 and 199 of the Financial Regulation, evaluation of:
- applicants' *operational* (technical, management) *resources* and the *professional competences and qualifications* required to complete the proposed action successfully; a strong track record of competence and experience in the field, in particular in the type of action proposed; and
 - applicants' *financial capacity* to perform the tasks involved (stable and sufficient funding to maintain activity for the duration of the project), as shown by annual (balance and profit-and-loss) accounts for the last financial year for which accounts have been closed and other financial information provided in the application form. (This requirement does not apply to national and regional administrations);
- (d) *award criteria:* in accordance with Article 199 of the Financial Regulation, once applications have been examined on the basis of the above criteria, the proposed action will be assessed on the basis of:
- its added value for the protection of the Union's financial interests;
 - its conformity with the Programme's operational objectives;
 - its quality: originality, the accuracy and coherence of the proposed methodology, the organisation of the work, the allocation of resources, the consistency and feasibility of planning and monitoring arrangements, and the appropriateness of the activities; and
 - the value for money that the action provides.

To ensure that low-quality applications are rejected, the technical specifications accompanying each call for proposals will indicate weightings for the award criteria and minimum scores required for each criterion and the aggregate score on the four award criteria.

1.3. Procurement

The Commission will conclude specific contracts under existing framework contracts for technical assistance, training actions and other actions. If required, the Commission will launch call for tenders in 2019 for the purchase of access to databases, training activities or technical equipment. The purchased equipment and services will be made available to the Programme's beneficiaries.

⁸ <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/index.html>

1.4. Administrative arrangements

Administrative arrangements will be made with the JRC for:

- the further development and implementation of IT tools needed for data analyses that are made on the basis of several customs-related databases for the benefit of customs administrations in the Member States;
- the (chemical) analysis of samples from tobacco and cigarettes seizures.

2. SUPPORTED ACTIONS IN 2019

The Programme will provide appropriate financial support for three types of actions, which are further detailed in Article 8 of the Hercule III Regulation⁹:

1. technical assistance (section 2.1);
2. training (section 2.2); and
3. other action (section 2.3).

2.1. Technical assistance¹⁰

The Programme will support technical assistance¹¹ to Member States' competent authorities¹² by means of one or more of the following:

- (i) *providing specific knowledge, specialised and technically advanced equipment and effective information technology (IT) tools facilitating transnational cooperation and cooperation with the Commission;*
- (ii) *ensuring the necessary support and facilitating investigations, in particular the setting up of joint investigation teams and cross-border operations;*
- (iii) *supporting Member States' capacity to store and destroy seized cigarettes, as well as independent analytical services for the analysis of seized cigarettes;*
- (iv) *enhancing staff exchanges for specific projects, in particular in the field of the fight against cigarette smuggling and counterfeiting;*
- (v) *providing technical and operational support for the law enforcement authorities of the Member States in their fight against illegal cross-border activities and fraud affecting the financial interests of the Union, including in particular support for customs authorities;*
- (vi) *building information technology capacity throughout participating countries by developing and providing specific databases and IT tools facilitating data access and analysis;*
- (vii) *increasing data exchange, developing and providing IT tools for investigations, and monitoring intelligence work.*

2.1.1. Technical assistance: actions

⁹ Article 8 of Regulation (EU) No 250/2014 (eligible actions).

¹⁰ The use of the term 'technical assistance' in the context of this work programme must be clearly distinguished from its use in Article 2(64) of the Financial Regulation.

¹¹ Article 8(a)(i)–(vii) of Regulation (EU) No 250/2014.

¹² The competent authorities are defined in Article 6 of Regulation (EU) No 250/2014.

The Commission will support the following technical assistance actions in 2019, but it will not provide support for the purchase of equipment only¹³. The purchase of equipment must be part of an action that contributes to the achievement of the Programme's objectives and could, for example, include training actions for the beneficiary's staff to operate the purchased equipment. The expected results from the actions are set out below, together with the indicators enabling them and the added value and effective use of the co-financed technical equipment to be measured¹⁴:

1. *Action supported:* The purchase and maintenance of investigation tools and methods used by beneficiaries in the fight against (fraudulent) irregularities, fraud and corruption detrimental to the Union's financial interests, in particular the fight against tobacco smuggling and counterfeiting. The purchase of adapted transport equipment may be included provided that an applicant clearly demonstrates that this contributes to the achievement of the Programme's objectives. The purchase of equipment for updating existing tools with the latest telecommunication protocols also falls under this action. Specialised training to enable staff to operate these tools is included and will be encouraged. Cross-border cooperation enabling the exchange of information and best practices, in particular at operational level, will also be encouraged.

Expected result: Strengthening and improvement of beneficiaries' operational capacity, as measured, for example, by the number of successful operations carried out with the purchased equipment in support of investigations into activities detrimental to the Union's financial interests (including cross-border operations and investigations and Joint Investigation Teams (JIT)), arrests made, convictions, seizures, confiscations, recoveries, prevented losses to the national and Union budgets, and fraud schemes uncovered.

2. *Action supported:* The purchase and maintenance of technical equipment for the identification of beneficiaries of cash assistance programmes, including by biometric means, in order to prevent fraud and (fraudulent) irregularities related to the use of the Union's funds in the migration and refugees management field.

Expected results: Strengthening and improvement of beneficiaries' operational capacity, as measured by the number of users and satisfaction survey of the beneficiaries.

3. *Action supported:* The purchase and maintenance of devices for inspecting containers, trucks, railway carriages and vehicles ("detection tools") at the Union's external borders and within the Union. This equipment shall contribute to the strengthening of beneficiaries' operational and technical capacity to detect smuggled and counterfeited goods, in particular cigarettes or tobacco, imported into the Union with the intention of evading VAT, customs duties and/or excise taxes. Under this type of action, the purchase, transport, training, lodging and feeding of animals that are used to detect smuggled and illicit goods on the basis of their scent characteristics is included. Cross-border cooperation enabling the exchange of information and best practices, in particular at operational level, will also be encouraged.

Expected result: Strengthening and improvement of beneficiaries' (in particular, customs authorities') technical capacity to carry out verifications of trucks, containers and vehicles, as measured by the number of verifications and 'hits' following the use of x-ray scanners, and searches carried out with the help of specially trained animals, such as sniffer dogs.

¹³ See Article 10(3) of Regulation (EU) No 250/2014: '[t]he purchase of equipment shall not be the sole component of the grant agreement'.

¹⁴ Article 4(b) of Regulation (EU) No 250/2014.

4. *Action supported:* The purchase, maintenance and (cross-border) interconnection of automated systems for the recognition of number-plates (ANPRSs) or container codes for purposes relating to the protection of the Union's financial interests. Requisite specialised training in the operation of such systems is included. Cross-border cooperation enabling the exchange of information to strengthen the fight against irregularities and suspected fraud will be strongly encouraged.

Expected result: Strengthening and improvement of beneficiaries' (e.g. customs, police or tax authorities') investigative capacities to identify trucks and vehicles suspected of involvement in activities detrimental to the Union's financial interests, as measured by the number of verifications made with (interconnected) ANPRSs, operating hours and positive identifications ('hits', leading to arrests and seizures), and results from the exchange of ANPRS information with competent authorities in neighbouring and cross-border regions, other Member States and non-EU countries.

5. *Action supported:* Beneficiaries' purchases of services for the analysis, storage and destruction of seized genuine or counterfeited cigarettes and other counterfeited goods detrimental to the Union's financial interests¹⁵.

Expected result: Information on the number and value of seizures, and estimates of the losses to national and Union budgets prevented as a result of the use of the equipment purchased or made available.

Implementation measures and budget for actions 1-5: The Commission will support these actions with grants that will be awarded following a call for proposals to be launched in the first half of 2019. For the actions 1 to 5, the Commission will encourage actions that are jointly undertaken by the Programme's beneficiaries in different Member States in order to strengthen cross-border cooperation to fight activities detrimental to the Union's financial interests, such as smuggling of tobacco, cigarettes or VAT-carousels. The indicative available budget for grants for these actions is EUR 9 866 200. The call for proposals will cover all five specific actions: there will be no separate ranking per specific action.

6. *Action supported:* The acquisition by the Commission of (access to) databases with information on trade flows, ship movements, cargo manifests, container traffic and company information, as required by beneficiaries for investigations and risk analyses purposes. These databases may also be used by OLAF for investigative purposes.

Expected result: Beneficiaries' use of the databases, expressed, for example, as the number of consultations and/or downloads, and the results of user surveys to assess the databases' user-friendliness and relevance.

Implementation measures and budget for action 6: For the (access to) databases, the Commission may:

- purchase by means of specific contracts within framework contracts concluded in 2015 and 2016 by Eurostat for trade and company data, and/or
- where required, launch a call for tender in the first half of 2019 to award a framework contract for the provision of information on trade, cargo manifests and/or company data and possibly on other types of information needed by the Programme's beneficiaries in the Member States.

¹⁵ Applications can be made for financial support to have seizures destroyed by an external service provider. This is not meant for purchasing equipment for setting up, for example, an incinerator.

The Commission may, where justified, conclude a specific contract for the provision of information on vessel movements under a framework contract concluded in 2016.

The user management for the access to all databases will be carried out by OLAF which will have access for joint investigations carried out with the Member States.

The overall indicative available budget for action 6 is EUR 1 350 000.

7. *Action supported:* Services to carry out chemical analyses of samples from tobacco and cigarettes seizures in the Member States (TOBLAB), as well as enhancing and implementing specific statistics and IT tools for data analyses and data-mining, as required to support beneficiaries' fraud risk analyses and the fight against cybercrime where this threatens the Union's financial interests. The risk profiles produced on the basis of these analyses are particularly important for beneficiaries in their fight against customs fraud, cigarette smuggling and the import of illicit, in particular counterfeited, goods. A pilot study will be undertaken to explore and define queries that could be carried out on the data collected by the Commission under different legal instruments, such as the amended Regulation (EC) No 515/97, customs data (TARIC), trade data collected by Eurostat, as well as data purchased by the Commission (including the databases funded under the Hercule III Programme), in order to develop tests that help the Programme's main beneficiaries in their anti-fraud analysis and targeting their controls.

Expected result: Use and improvement of specific statistics and IT tools for analysing databases, as measured, for example, by the number of risk analyses made for customs purposes, the number and results of tobacco analyses and user feedback on the tools' user-friendliness and relevance. The results will be broken down by statistics source and IT-tool, inasmuch as possible.

Implementation measures and budget for action 7: This action will be predominantly implemented on the basis of administrative arrangements between the JRC and OLAF for (i) the TOBLAB project that was started in 2015 as well as (ii) the pilot study on data analysis. The arrangements with JRC might include training activities. The indicative budget for the TOBLAB administrative arrangement is EUR 225 000 and for the pilot study on data analysis it is EUR 300 000.

The overall indicative available budget for action 7 is EUR 525 000.

2.1.2. Technical assistance: criteria for 90% co-financing

The Hercule III Regulation allows for the maximum co-financing rate to be raised from 80% to up to 90% in exceptional and duly justified cases, e.g. where Member States are exposed to a high risk in relation to the Union's financial interests¹⁶. As regards grants for technical assistance, such actions will have to satisfy at least two of the following criteria:

- take place at an external EU border, especially the EU's eastern border;
- take place at the most vulnerable locations (as regards seizures of cigarettes and tobacco reported by Member States to the Commission)¹⁷;
- reflect the results of the Eurobarometer survey¹⁸ of citizens' attitudes to counterfeited, smuggled cigarettes and 'cheap whites'; and

¹⁶ Article 10(4) of Regulation (EU) No 250/2014.

¹⁷ COM(2013) 324 final, 6.6.2013.

- reflect the findings of the annual reports on implementation of Article 325 TFEU on combating fraud (e.g. as regards the number of cases of smuggled cigarettes reported and the estimated traditional own resources involved)¹⁹, in particular the identification of the Member States that are vulnerable and most exposed to threats in relation to the Union's financial interests.

2.1.3. Technical assistance: reporting

Upon submission of the request for final payment, beneficiaries of technical assistance grants have to submit a final technical report on the basis of a template provided to beneficiaries, setting out the main results obtained with the purchased equipment and the contribution made to the achievement of the Programme's objectives.

Since beneficiaries generally will have had only a short period of time to use the purchased equipment at the moment of the submission of the request for final payment, a final implementation report is also required to be submitted one year after the closing date of the grant agreement. This implementation report shall include information on the results of the action and the contribution made to the achievement of the Programme's objectives after one year.

2.1.4. Technical assistance: indicative available budget and planning

Publication of the call for proposals for actions 1 to 7 on the Commission's (OLAF) website		1 st half of 2019
Deadline for submission of applications [<i>via e-Grant</i>]		1st half of 2019
Indicative date for informing applicants of the outcome of the examination of applications		3 rd quarter of 2019
Indicative budget for all technical assistance actions (1-7)		EUR 11 741 200
Indicative budget per type of action	Call for proposals: grants (actions 1–5)	EUR 9 866 200
	Databases under procurement (action 6)	EUR 1 350 000
	Tobacco analyses and pilot study (action 7)	EUR 525 000
Maximum rate of co-financing of total eligible costs for grants under actions 1 to 5.		80% (90% in exceptional and duly justified cases)
A second call for proposals may be launched if sufficient budget is available.		

¹⁸ This survey was carried out in November 2015 with funding from the Programme, see: <http://ec.europa.eu/COMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/yearFrom/1974/yearTo/2015/surveyKy/2033>.

¹⁹ *Statistical evaluation of irregularities reported for 2017 own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure* (SWD(2018) 386 final, 3.9.2018), accompanying the Commission's 2017 report to the European Parliament and the Council on the *Protection of the European Union's financial interests — the fight against fraud*, (COM(2018) 553 final, 3.9.2018).

2.2. Training

This area of action will involve the organisation of targeted specialised training²⁰, risk analysis workshops, studies and, where appropriate, conferences, to:

- (i) *further foster better understanding of Union and national mechanisms;*
- (ii) *exchange experience and best practices between the relevant authorities in the participating countries, including specialised law enforcement services, as well as representatives of international organisations;*
- (iii) *coordinate the activities of participating countries, and representatives of international organisations;*
- (iv) *disseminate knowledge, particularly on better identification of risk for investigative purposes;*
- (v) *develop high-profile research activities, including studies;*
- (vi) *improve cooperation between practitioners and academics;*
- (vii) *further raise the awareness of the judiciary and other branches of the legal profession for the protection of the financial interests of the Union.*

2.2.1. Training: actions

The training actions will include financial support to training, conferences, seminars, studies, webinars and e-learning activities. In 2019, the following actions will be supported:

Actions 1-7:

1. Targeted specialised training and risk-analysis workshops and conferences aimed to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union. The training actions are intended to create networks between Member States, candidate countries, other third countries and international public organisations in order to facilitate the exchange of information, experience and best practices among staff employed by the beneficiaries. The information and best practices shall relate to, amongst others: the risks and vulnerabilities the Union's financial interests are exposed to; investigation practices; prevention activities; and risk analysis practices and methods in the different areas of expenditure of the EU budget.
2. Workshops and/or conferences with customs authorities of the Member States and/or relevant EU bodies in relation to, among others, one or more of the following: the fight against fraud-facilitators used to evade EU trade measures (anti-dumping, anti-subsidy, tariff quotas); the detection of new incorrect classification, product traceability, specific chemical analyses for detection of incorrect origin; fraud involving rail transport of freight; development of IT tools for fight against fraud related to e-commerce²¹ and/or, specific statistical methods and IT tools for data analysis. These actions are intended to facilitate the exchange of information, identification of needs and/or common projects for fighting fraud affecting EU's financial interests among anti-fraud services of the Member States, including customs laboratories with the possible participation of OLAF and other EU bodies.

²⁰ Article 8(b)(i)–(vii) of Regulation (EU) No 250/2014.

²¹ In particular regarding analytical tool of parcel history, block chain-based e-commerce customs clearance, parcel imagery system or other IT tools aiming to enhance selection for customs inspection.

3. Staff exchanges between national and regional administrations, including (potential) candidates and neighbouring countries will be encouraged. These shall contribute to the further development, improvement and update of staff's skills and competences to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union.
4. Workshops with participation of representatives of Member States with the objective to map the geographical origin of raw and cut tobacco in the EU regions.
5. Targeted specialised training and risk-analysis workshops and conferences aimed at fighting VAT fraud for goods imported into the EU. These actions are intended to create synergies between fiscal and customs services of Member States, OLAF and other relevant EU bodies in order to create networks, new support tools and facilitate the exchange of information, experience and best practices.
6. High-level conferences and ad hoc training focused on the protection of the Union's financial interests organised by the Commission. In 2019, the Commission intends to organise training courses and conferences for staff of national and regional administrations about the TOBLAB project (see point 7 in section 2.1.1), the Protocol to Eliminate Illicit Trade in Tobacco Products and potentially other activities in the area of data analysis not covered by point 7 in section 2.1.1 above.
7. Digital forensics and analyst training sessions to:
 - a. provide and support the organisation of training courses for staff in national and regional administrations, with a view to protecting the Union's financial interests by developing, improving and updating their competence in the area of digital forensics and forensic analysis;
 - b. to support the initiation of a quality assurance process and a certification procedure to enable computer forensic experts to develop, improve and update their skills and competences; and
 - c. support a network of digital forensic experts in the area of the protection of EU's financial interests to promote the exchange of best practices.

Expected results for actions 1-7:

Improved investigation abilities of law enforcement officials and auditors involved in the protection of the Union's financial interests through the acquisition of new skills, knowledge of specialised methodologies and techniques as well as an increased awareness of fraud risk indicators and the Union's anti-fraud policy priorities. This will be measured, amongst others, by the number of participants at the events, the origin and background of participants and target audiences, the number of anti-fraud publications distributed to target audiences and the results of surveys to assess participants' overall satisfaction with the events.

Implementation and budget measures for actions 1-7:

The Commission will support actions 1-5 ("training & conferences") with grants that will be awarded following a call for proposals to be launched in the first half of 2019. The Commission will encourage actions that are jointly undertaken by the Programme's beneficiaries in different Member States.

The indicative available budget for grants under actions 1 to 5 is EUR 1 100 000. The grants will cover a maximum of 80% of the eligible costs of the action.

For action 6 ("procured conferences"), the Commission will use the services of a firm specialised in organising events, by concluding specific agreements under an existing

framework contract²². The total indicative available budget for procured conferences is EUR 1 000 000, among which an estimated EUR 300 000 should be dedicated to trainings and conferences about the TOBLAB project and other initiatives in the area of data analysis, as well as the Protocol to Eliminate Illicit Trade in Tobacco Products.

For action 7 (digital forensics and analyst training), the Commission will use the services of firms specialised in organising training events under existing framework contracts²³. The indicative available budget for digital forensic training will not exceed EUR 1 550 000.

Actions 8-9:

8. High-profile research, including studies in comparative law. The topics that could be explored will be elaborated in the specifications of the call for proposals "legal training" and will include at least:
 - a) Cooperation between EU bodies involved in the protection of the Union's financial interests (e.g. OLAF, EPPO, Eurojust, Europol), and cooperation of these bodies with their partners, including authorities outside the EU;
 - b) Measures to support the new antifraud institutional setting (especially against the background of the establishment of the EPPO);
 - c) Research on fraud and irregularities in EU funds in the area of migration and refugees;
 - d) OLAF investigations, with special reference to the exercise and enforcement of its powers, its cooperation with national partners as well as the follow-up by relevant national authorities to its judicial recommendations;
 - e) The fight against VAT fraud;
 - f) The protection of whistle-blowers in the area of the protection of the Union's financial interests;
 - g) Requirements to obtain, secure and use digital forensic evidence in administrative and criminal investigations;
 - h) Articulation between different types of actions (e.g. prevention, investigations, recoveries) relevant to the protection of the financial interests of the EU;
 - i) Different types of investigations and sanctions (criminal, administrative, other) and the relationship between them, including the ne bis in idem principle;
 - j) Transparency, integrity and traceability issues in the area of the protection of the Union's financial interests with a focus on the following topics: access to beneficial owners; management of EU funds by 3rd parties, including International Organisations, NGOs and non-profit organisations; money laundering related to diversion of EU funds; coordination and exchange of information among law enforcement agencies, financial intelligence units (FIUs) in the Member States, and OLAF.
9. Improvement of cooperation between practitioners and academics, including the organisation of the annual meeting of the presidents of the Associations for European

²² OLAF/2015/D1/057 or PMO2/PR/2013/001.

²³ OLAF/2018/D1/001FC and OLAF 2015 D1 057.

Criminal Law and for the Protection of EU Financial Interests. Awareness raising among the judiciary and other branches of the legal profession as regards protecting the Union's financial interests, including the dissemination of scientific knowledge.

Expected results for actions 8-9:

The development of high-profile research, including comparative law studies, as measured by the number of research activities and comparative law studies co-financed and their quality and originality. The networking activities aim at the improvement of the cooperation between practitioners and academics, as demonstrated by the number of co-financed events (conferences, seminars, workshops), the number of participants and the level of participants' satisfaction. It shall also increase the awareness amongst the judiciary and other branches of the legal profession as regards the protection of the Union's financial interests. This will be measured by the number of copies of publications distributed to stakeholders and the type and number of methods of dissemination of relevant scientific knowledge.

Implementation and budget measures for actions 8-9:

The Commission will support these actions ("legal training") with grants that will be awarded following a call for proposals to be launched in the first quarter of 2019. The Commission will encourage actions that are jointly undertaken by the Programme's beneficiaries in different Member States.

The available budget for grants under actions 8 and 9 is EUR 500 000. The grants will cover a maximum of 80% (90% in exceptional and duly justified cases²⁴) of the eligible costs of the action.

2.2.2. Training: criteria for 90% co-financing

The Hercule III Regulation allows for the maximum co-financing rate to be raised from 80% to up to 90% in exceptional and duly justified cases²⁵. In the area of legal training and studies (actions 8 and 9), these might be actions undertaken by scientific and/or research organisations specifically created to promote studies in European criminal law, to support the creation of networks in this area and geared to protecting the Union's financial interests.

2.2.3. Training: reporting

Upon submission of the request for final payment, beneficiaries of training grants have to submit a **final technical report** on the basis of a template annexed to the grant agreement, setting out the main results obtained during the action for which the grant was awarded, and reporting on the contribution the event made to the achievement of the Programme's objectives. This report shall include the results of user satisfaction surveys carried out among the participants of the event. In order to assess mid-term results, beneficiaries of training grants have to organise a "**post-event survey**" six months after the event took place. The latter survey shall collect information on the use of the skills and competences acquired during training events as well as the impact of networking activities that could be started or strengthened as the result of the participation to a certain event. These results shall be reported in terms of their contribution to the achievement of the Programme's objectives.

²⁴ See section 2.2.2.

²⁵ Article 10(4) of Regulation (EU) No 250/2014.

2.2.4. Indicative available budget and planning for training

Publication of the call for proposals for actions 1-5 and 8-9 on the Commission's (OLAF) website		1st half of 2019
Deadline for submission of applications <i>[via the e-Grant]</i>		1st half of 2019
Indicative date for informing applicants of the outcome of the examination of applications		3rd quarter of 2019
Indicative budget for all training actions (1-9)		EUR 4 150 000
Indicative budget per type of action	Call for proposals: grants (actions 1-5)	EUR 1 100 000
	Conferences organised by the Commission under procurement (action 6)	EUR 1 000 000
	Digital forensics and analyst training (action 7)	EUR 1 550 000
	Call for proposals: grants (actions 8-9)	EUR 500 000
Maximum rate of co-financing of total eligible costs for grants. For actions 8-9, a maximum co-financing rate of 90% could be awarded in exceptional and duly justified cases.		80%
A second call for proposals may be launched if sufficient budget is available.		

2.3. Other action²⁶

The Regulation allows for support to be given to any other action that could not be funded under either "Technical Assistance" or "Training" actions that is necessary for attaining the general, specific and operational objectives set out in section 1. No "other actions" are foreseen under the Annual Work Programme 2019.

²⁶ Article 8(c) of Regulation (EU) No 250/2014.

3. SUMMARY TABLE: INDICATIVE AMOUNTS PER TYPE OF ACTION

The estimations are made on the basis of the appropriations indicated in the Draft general budget of the European Union for the financial year 2019, COM (2018) 600.

Actions	EU funding	Indicative available budget (EUR)	Percentage
Technical assistance	Grants	EUR 9 866 200	
	Procurement: databases	EUR 1 350 000	
	IT tools, tobacco analyses and a pilot study	EUR 525 000	
Total (indicatively min 70%)²⁷		EUR 11 741 200	73,9 %
Training	Call for proposals: grants (actions 1-5)	EUR 1 100 000	
	Conferences organised by the Commission under procurement (action 6)	EUR 1 000 000	
	Digital forensics and analyst training (action 7)	EUR 1 550 000	
	Call for proposals: grants (actions 8-9)	EUR 500 000	
Total (indicatively max 25%)		4 150 000	26,1%
Other (indicatively max 5%)			
Indicative grand total	Grants and procurement	15 891 200	100

²⁷ The percentages correspond to the indicative allocation of funds annexed to Regulation (EU) No 250/2014 and apply to the entire 2014-2020 period. The percentages are rounded to one digit after the point.