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Annual overview with information on the results of the Hercule III Programme in 2017

Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLEMENT AND
THE COUNCIL**

**29th Annual Report on the Protection of the European Union's financial interests - Fight
against Fraud - 2017**

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1. Introduction

1.1 Hercule III Programme

The aim of the Hercule III Programme (hereinafter referred to as “the Programme”) is to protect the financial interests of the European Union by fighting fraud, corruption and any other illegal activities. The Programme provides support to national and regional administrations, as well as research and educational institutes and other non-profit making entities which “*promote the strengthening of action at Union level to protect the financial interests of the Union*”. The financial support mostly consists of grants awarded to competent authorities in the Member States to strengthen their operational and technical capacity to carry out investigations into activities detrimental to the financial interests of the Union. The financial support is used for the purchase of technical equipment, such as x-rays scanners, soft- and hardware for securing evidence from computers or smartphones (digital forensics examinations) or the purchase and installation of integrated systems for number plate recognition (Automated Number Plate Recognition Systems-ANPRS). The Programme also finances trainings and conferences as well as comparative studies and scientific publications.

The legal basis¹ of the Programme requires the Commission to adopt an annual work programme for the implementation of the Programme and to submit a report² on the main results and achievements every year to the European Parliament and to the Council. This is the fourth annual overview of the achievements and results³.

The Programme is implemented in accordance with Regulation (EU, Euratom) No. 966/2012⁴.

The Programme is the only instrument **specifically** dedicated to protecting the Union’s financial interests and is administered by the European Anti-Fraud Office (OLAF), which in the field of anti-fraud policy operates as a Directorate-General of the European Commission.

The general objective of the Programme is “*to protect the financial interests of the Union thus enhancing the competitiveness of the Union's economy and ensuring the protection of the taxpayers' money*”⁵, whereas the Programme’s specific objective is “*to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union*”⁶. The five operational objectives⁷ of the Programme are described in section 3 of this

¹ Regulation 250/2015 of the European Parliament and of the Council of 26 February 2015, OJ L 84 of 20 March 2015. The Regulation entered into force on 21 March 2015 and was applicable from 1 January 2015 onwards.

² Article 13 of Regulation 250/2015 (Monitoring and Evaluation) requires the Commission “*to provide the European Parliament and the Council, on an annual basis, with information on the implementation of the Programme, including on the achievement of the objectives of the Programme and the results*”.

³ The fourth annual work programme was adopted by Financing Decision C(2017)1120 final of 22 February 2017.

⁴ Regulation (EU, Euratom) 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (Financial Regulation – FR), OJ L 298 of 26 October 2012, as amended by Regulation (EU, Euratom) 2015/1929 of 28 October 2015, OJ L 286 of 30 October 2015 and Commission Delegated Regulation 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No. 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362 of 31 December 2012 (Rules of Application – RAP), as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October, L 342 of 29 December 2015.

⁵ Article 3 of Regulation 250/2015.

⁶ Article 4 of Regulation 250/2015.

⁷ Article 5 of Regulation 250/2015.

report, together with an overview of the main results of the actions carried out under the Programme and their contribution to the operational objectives.

1.2 Hercule III: eligible actions, beneficiaries and budget

There are three types of eligible actions⁸ supported by the Programme:

1. “Technical Assistance”⁹: support aimed at providing specific knowledge, equipment and information technology (IT) tools to national authorities, as well as providing specific databases and IT tools facilitating data access and analysis;
2. “Training”: support for training activities, conferences and legal studies focused on the protection of the Union’s financial interests;
3. “Any other action”: actions necessary for attaining the general, the specific and the operational objectives of the Programme.

The beneficiaries¹⁰ of the Programme are eligible bodies that are:

1. National or regional administrations of a Member State;
2. Research and educational institutes and non-profit-making entities in the Member States.

Both types of beneficiaries shall “*promote the strengthening of action at Union level to protect the financial interests of the Union*”. Costs incurred for persons from third countries to enable their participation in an event funded under the Programme, such as conferences, seminars or training sessions, can be considered eligible for funding under certain conditions.

The budget for the implementation of the Programme in 2017 amounted to EUR 14.95 million in commitment appropriations and EUR 13.2 million in payment appropriations and is financed under item 24.0201 of the European Union budget for 2017.

1.3 Purpose and scope of this overview

The annual overview is intended to fulfil the requirement under Article 13.1 of Regulation (EU) 250/2015 to “*provide the European Parliament and the Council, on an annual basis, with information on the implementation of the Programme, including on the achievement of the objectives of the Programme and the results*”. To this end, this overview covers information on actions (section 2) for which financial commitments were made under the 2017 Annual Work Programme, as well as the results of actions that were finalised in 2017, but committed under the Hercule Programme in previous years (section 3).

⁸ Article 8 of Regulation 250/2015. Article 8(a) lists 7 types of actions for Technical Assistance and Article 8(b) lists 7 types of actions for Training.

⁹ It is important to underline that “Technical Assistance” as defined in Regulation 250/2015 differs from the term “Technical Assistance” used in Article 121(7) of the Rules of Application, which defines Technical Assistance as “*support and capacity-building activities necessary for the implementation of a programme or an action, in particular preparatory, management, monitoring, evaluation, audit and control activities*”.

¹⁰ Article 6 of Regulation 250/2014. Article 7 of Regulation 250/2015 defines the geographical scope of the Programme. The participation of national and regional administrations from non-EU countries, such as EEA countries, Switzerland, candidate countries and European Neighbourhood Policy countries is subject to an agreement between the respective countries and the Union on the former’s participation in Union Programmes. For the time being, no such agreement is in force.

2. Budget implementation in 2017

The budget for the implementation of the Programme amounted to EUR 14.95 million in commitment appropriations. Table 1 gives an overview of the available **budget** and the **commitments** made in 2017.

Table 1: Available budget and commitments made in 2017

TYPES OF ELIGIBLE ACTIONS 2017		BUDGET ¹¹	COMMIT ¹²	%
TECHNICAL ASSISTANCE (min. 70%)		11 300 000	11 596 501	103
Grants: Cigarettes and Investigation support	Grants	9 150 000	10 211 196	111
IT Databases	Procurement	1 500 000	745 590	50
IT tools and tobacco analysis (JRC)	Procurement	600 000	612 575	102
Purchase of technical equipment	Procurement	50 000	27 140	54
ANTI-FRAUD TRAINING (max. 25%)		3 650 000	3 089 831	85
Grants: Anti-fraud training	Grants	1 000 000	1 013 694	101
Procured conferences	Procurement	1 000 000	425 713	43
Digital Forensics Training sessions	Procurement	1 000 000	959 284	96
Grants: Law Training and Studies	Grants	500 000	541 140	108
Study: Illicit tobacco trade	Procurement	150 000	150 000	100
OTHER ACTIONS (max. 5%)		0	0	0
P.M.	P.M.	0	0	0
TOTAL 2017		14 950 000	14 686 332	98.23

The information in the table above only relates to commitments made in 2017. The amount committed for technical assistance was higher than the earmarked budget in the annual work programme. At the end of 2016, appropriations that were not committed for other types of eligible actions were transferred to technical assistance. The **payments** under the grant agreements and most of the contracts signed in 2017 cannot be reported as most of them will only be made in 2018 and beyond.

2.1 Budget implementation by type of financial intervention

The Programme was implemented by making use of **public procurement** (for contracts) and **calls for proposals** (for grants)¹³. The Commission concluded contracts for the purchase of goods and services, such as access to databases, the development of IT systems or the organisation of training and conferences. The contracts were concluded on the basis of existing framework contracts (FWC)¹⁴, establishing the terms governing specific contracts to be awarded during a given period. In 2017, the overall amount spent on contracts was EUR 2 920 302 (as shown in graph 1).

¹¹ The budget corresponds to the Summary Table in the Annual Work Programme 2017 as adopted by the Financing Decision 2017 C(2017)1120 final of 22 February 2017.

¹² Commitments cover the total costs in 2017 of legal obligations (contracts, grant agreements/decisions) entered into for operations extending over more than one year (Article 7, FR).

¹³ Article 10 of Regulation 250/2015. Title V of Regulation 966/2012, as amended. Title V (Articles 101-120) determines the rules on public procurement, whereas Title VI (Articles 121-137) contains the rules in relation to the award of grants.

¹⁴ Article 101(2) FR.

Grants are direct financial contributions to finance an action intended to help achieve a Union policy objective. The overall budget spent on grants was EUR 11 766 030. Grants are awarded following a call for proposals, inviting applicants to submit proposals for an action that contributes to the achievement of the Programme's objectives. The beneficiary of a grant becomes the legal and economic owner of the goods or services that are purchased with the help of the grant. Under the Programme, grants may cover up to 80% of the eligible costs¹⁵ of the action and up to 90% in exceptional and duly justified cases. In 2017, the Commission did not approve any 90% grant requests.

In June 2017, the Commission launched three calls for proposals: "Technical Assistance", "Law Training and Studies" and "Training and Conferences". The deadline for submission of applications was set for 9 August 2017. The Commission published a notice on the calls in the Official Journal¹⁶ and on its website.

Moreover, it informed the members of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF) and invited them to inform potential applicants about the Programme's funding opportunities.

2017 was the first year when OLAF began to use the Horizon2020 Participant Portal, developed by the European Commission for the electronic submission of applications for grants and for the management of grant agreements. Applicants were required to use the Call Application Procedure for the submission of their application. This electronic system has considerably shortened the time for notifying applicants about the outcome of the evaluation procedure. Importantly, the grant signing process has been streamlined. Questions from applicants were treated rapidly and efficiently.

Under the three calls, the Commission received 104 applications¹⁷ that were subsequently examined by three different Evaluation Committees. Each application was examined on the basis of four sets of criteria: eligibility, exclusion, selection and award that were listed in the specifications of the call. The award criteria were ranked on the scores obtained for:

- Added value of the application for the protection of the financial interests of the Union;
- Conformity with the operational objectives of the Programme;
- Quality;
- Value for money.

The examination of the applications led to the award of 46 grants¹⁸ at the end of 2017. Tables 9, 10 and 11 provide an overview of the successful and rejected applications, broken down by Member State, call, amount requested and awarded grant.

Graph 1 below gives a breakdown of the planned budget and achieved commitments in 2017 by type of financial intervention (grants and procurement).

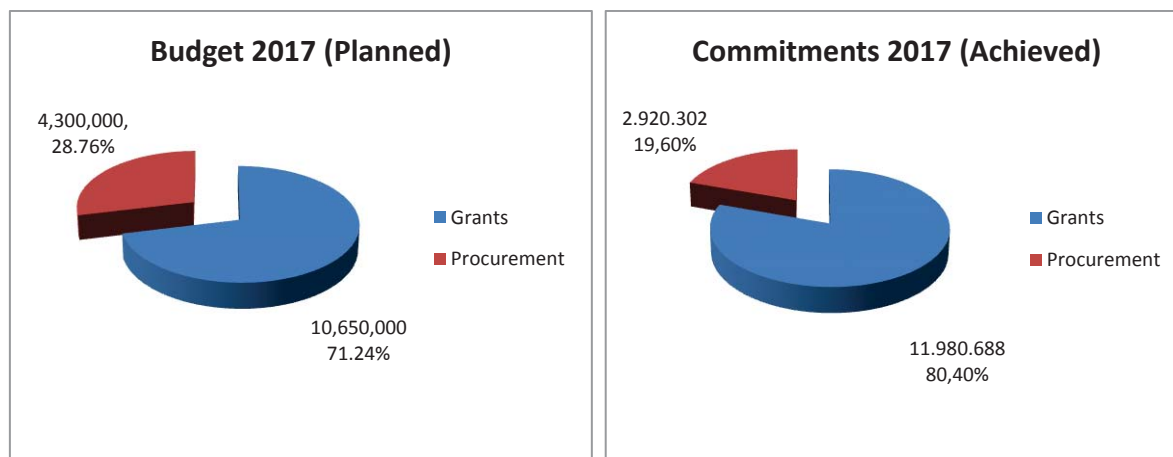
¹⁵ Article 10 (4) of Regulation 250/2015. The annual work programme 2017 contained the criteria as required under Article 11 of Regulation 250/2014 for the definition of these cases and applicants for a "Technical Assistance" and a "Law Training and Studies" grant were given the possibility to indicate whether or not their applications should be considered for the maximum co-financing percentage of 90%.

¹⁶ OJ C 196 of 20 June 2017.

¹⁷ Technical Assistance: 53, Law Training: 18 and Training and Conferences: 33.

¹⁸ Technical Assistance: 22, Legal Training: 9 and Training and Conferences: 15.

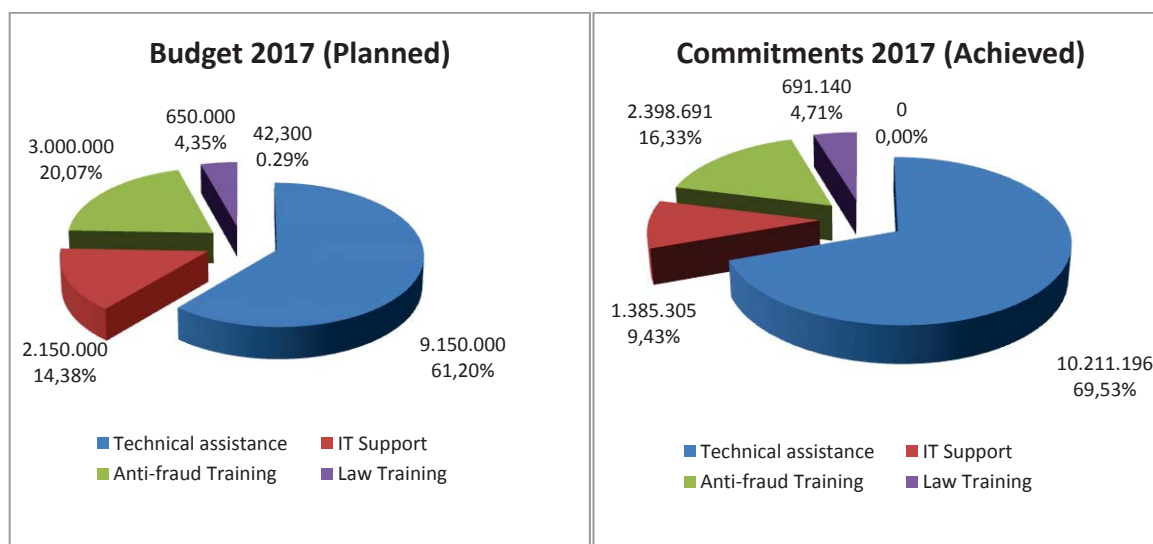
Graph 1: Hercule III budget and commitments in 2017 by type of financial intervention



2.2 Budget implementation by type of eligible action

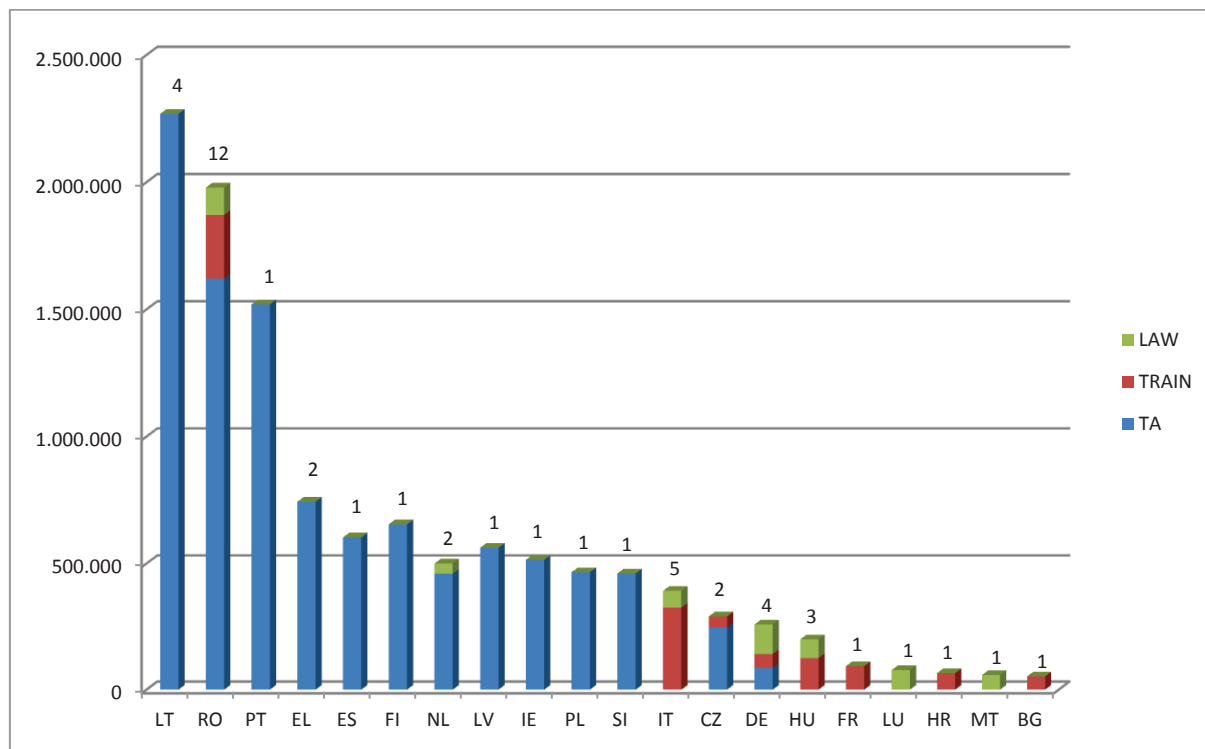
Graph 2 below gives a breakdown of the planned budget and achieved commitments in 2017 by type of action. The "Technical Assistance" actions identified in Regulation 250/2014 encompass "Technical Assistance" activities, as well as "IT support", whereas the "Training Actions" include "Training and Conferences" and "Law Training and Studies". The planned budget for technical assistance support represented 75.58% of the total and the commitments represented 78.96%. These percentages are well above the minimum percentage of 70% foreseen for Technical Assistance in the annex to Regulation 250/2014.

Graph 2: Hercule III budget and commitments in 2017 by type of eligible action



Graph 3 gives an overview of the committed budget as well as the number of awarded grants for technical assistance, antifraud training and law training in 2017. The information is broken down by Member State. The graph shows that grants were awarded to applications from 20 Member States. There were no grants awarded to applications from: AT, BE, CY, DK, EE, SE, SK and UK.

Graph 3: Hercule III commitments (in EUR) and number of grants in 2017 by Member State and by sector of activity



2.2.1 Technical Assistance grants

The budget for technical assistance grants was EUR 9 150 000. It was available for funding actions proposed by national and regional authorities, such as:

1. The purchase and maintenance of **investigation tools and methods** used in the fight against irregularities, fraud and corruption perpetrated against the financial interests of the Union, including specialised training needed to operate the investigation tools;
2. The purchase and maintenance of devices and animals to carry out inspections of containers, trucks, railway wagons and vehicles at the Union's external borders and within the Union in order to detect smuggled and counterfeited goods imported into the Union with the aim or consequence to evade customs and excise duties (**detection devices**);
3. The purchase, maintenance and interconnection of systems for the recognition of vehicle number plates (**Automated Number Plate Recognition Systems**) or container codes for purposes related to the protection of the financial interests of the Union, including specialised training needed to operate these systems;
4. The purchase of services to support Member States' capacity to store and destroy seized cigarettes and tobacco.

The Commission received 53 applications from 20 Member States by the deadline of 9 August 2017. The total budget of the proposed actions was EUR 30.1 million and the requested financial support amounted to EUR 24.3 million. This amount exceeded the available budget of EUR 9.1 million more than 2.5 times. The Evaluation Committee adopted

its recommendations in November 2017 and the decision to award a grant for 22 actions was adopted in December 2017.

All applicants were informed of the outcome of the evaluation procedure. The overall amount approved for technical assistance grants was EUR 10.2 million¹⁹. The average co-financing percentage for the awarded grants was 78.6% of the eligible costs²⁰ of the action. Grants were awarded for the purchase of investigation equipment (including forensics equipment), the purchase of x-rays scanners, the purchase and training of sniffer dogs and the purchase and installation of Automated Number Plate Recognition Systems. Table 1 in Annex 1 gives an overview of the beneficiaries, the project title, the grant amount and the co-financing rate of awarded grants.

2.2.2 IT Support: Databases, IT tools and analyses of samples from tobacco seizures

Databases

The Programme provides funds to procure databases, or subscriptions to databases, for law enforcement authorities in Member States in order to support operations and investigations. The Commission procures and manages the access to these databases enabling substantial economies of scale. Within the framework of investigations that are jointly undertaken with its Member State partners and for its own investigations, OLAF staff also makes a limited use of these databases.

Databases for trade and company data and vessel movements were purchased in 2017 by concluding specific contracts under existing framework contracts²¹. Table 3 in Annex I gives an overview of the contracts awarded in 2017.

Development of specific IT tools for data analyses

Two projects for the analysis of “big data” were continued in 2017: the Automated Monitoring Tool (AMT, for an amount of EUR 627 372) project and a project which followed up the earlier Container Traffic project (ConTraffic-REG-2, for an amount of EUR 222 791) carried out by the Joint Research Centre (JRC) of the European Commission in Ispra (Italy) under administrative arrangements. A new project on data analysis for customs anti-fraud purposes (for an amount of EUR 311 432) was launched at the end of 2017 with the JRC.

The AMT generates automated alerts for outliers in trade data. It can be used to monitor trade flows relevant for intelligence analyses and targeted controls by Member State customs authorities, providing more realistic and effective scenarios for joint customs operations. It also generates reference prices for each combination of product, third country origin and Member State destination. The AMT has improved authorities' ability to detect the undervaluation of imported goods and thus helped to reduce the level of losses to the EU and Member States' budgets in customs duties and taxes. The administrative arrangement for the

¹⁹ This amount was higher than the earmarked budget in the annual work programme. At the end of 2017, appropriations that were not committed for other types of eligible actions were transferred to technical assistance.

²⁰ The maximum co-financing percentage is 80%, but the Commission may award in exceptional and duly justified cases a grant covering up to 90% of the eligible costs. Following a careful examination of the reasons put forward by applicants, and taking account of the available budget, no applicants were awarded 90% co-financing.

²¹ Two framework contracts concluded by Eurostat for trade and company data in 2015 and 2016 and a framework contract concluded by OLAF for vessel movements information in 2016.

AMT project was extended until October 2019 to further develop and implement specific statistics for analysis of trade data and tools for the statistical detection of patterns of fraud to support Member States, especially in view of Regulation (EC) No 515/97²².

An administrative arrangement for a project to facilitate the use of the Container Status Messages (CSMs) based on Regulation (EC) No 515/97 (ConTraffic-REG-2) with the JRC was started in 2016 and was concluded at the end of 2017. The project aimed to provide support for verifying carriers' compliance with the obligation to report CSMs to national customs authorities, as well as to provide support for the detection of customs fraud through the implementation of an EU-wide system for the automatic and systematic origin verification of import declarations based on CSMs. The new system uses the ConTraffic Single Administrative Document (ConTraffic-SAD) analysis tool developed by the Commission (OLAF and JRC) in collaboration with customs authorities in Member States. Section 3 provides examples of the results obtained in 2017 using the AMT and ConTraffic-SAD tools.

The administrative arrangement with the JRC for a new project to provide scientific and technical support to EU customs' anti-fraud data analysis capacity was launched at the end of 2017. This project aims to provide technical support to identify and share best practices, increasing awareness and making best use of data sources including those related to Regulation (EC) No 515/97. Facilitating an efficient use of data and analytical methods to refine the investigative capacity of customs authorities should support Member States to better target customs controls and perform investigations.

Tobacco analyses

The illicit trade of tobacco products in large volumes is almost exclusively the domain of organised criminal groups operating across borders. These tobacco products are for the most part not produced in accordance with requirements of the EU tobacco products legislation. The new European Agenda on Security adopted by the Commission in 2015²³ recognises the need to cut off criminal groups from this revenue source. Fighting the illicit tobacco trade is therefore key to protecting the financial interests of the EU and Member States as well as to protecting public health and security.

In this context, Hercule funds were used to set up a laboratory for the analysis of tobacco products to analyse whether seized cigarettes were genuine or counterfeit and, also, to support investigations. The setting up of an independent tobacco testing facility also appeared as an objective of the Action Plan accompanying the Commission communication of 6 June 2013 "Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products".

Hercule provided for financial support to enable Member States' customs authorities to carry out analyses of samples taken from cigarettes and tobacco seizures. In 2017, the Commission (OLAF) renewed the administrative arrangement with the JRC's Institute for Reference Materials and Measurements in Geel (Belgium) for an amount of EUR 171 771 to perform

²² Regulation (EU) No 2015/1525 of the European Parliament and of the Council of 9 September 2015 amending Council Regulation (EC) No 515/97 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agriculture matters (OJ L 243, 18 September 2015, p. 1).

²³ COM(2015)185 final of 28 April 2015.

chemical analyses on samples from tobacco and cigarettes seizures. Section 3 describes concrete results.

2.2.3 Conferences, seminars and digital forensics training

Training, conferences and staff exchanges organised under grants

Training activities financed under the Programme aim to provide grants to beneficiaries for the organisation of targeted specialised trainings, conferences and staff exchanges. These activities aim to strengthen cross-border cooperation and networking activities between experts and law enforcement staff and to facilitate the exchange of information on best practices in relation to the protection of the financial interests of the Union. The priority topics addressed in the call for proposals 2017 emphasised the further development, improvement and update of staff's skills and competences through specialised trainings and risk-analysis workshops. Training on the analysis of fraud patterns and indicators as well as smuggling were also featured.

The Commission received 33 applications from 15 Member States by the deadline of 9 August 2017. The total amount of requested grants was EUR 2.8 million, whereas only EUR 1 180 000 was available. The Commission selected the 16 projects for the amount of EUR 1 092 621 (however, for one of the selected projects a grant agreement was not signed by the potential beneficiary). Table 4 in Annex 1 gives an overview of the awarded grants and co-financing rate.

Conferences organised under procurement

In addition to funding grants, the Programme also finances high-level conferences and ad-hoc training activities focused on the protection of the Union's financial interests organised by the Commission. Using the services of a framework service contract²⁴ the Commission funded eight events in 2017. The overall budget available for procured conferences was EUR 1 million. Table 5 in Annex 1 provides an overview of the eight events that were procured in 2017.

Training organised under procurement: digital forensics training

Digital forensics training was conceived in 2007 to underpin the capacity of law enforcement agencies assisting to combat fraud including cigarette smuggling and counterfeiting. Its aim has been threefold: to detect digital financial fraud by enhancing the skills in law enforcement agencies, to create a network of qualified digital forensic training specialists throughout the Union and to provide certification for acquired knowledge and competences with a view to providing a harmonised level in Member States and neighbouring countries. The typical progression of those trained is to attend a two-week basic course instructing methods to secure evidence from digital information carriers and networks in a lawful manner. These may then be followed by specialised 'topic' trainings (intermediate, advanced and specialised). 16 Digital Forensic Training sessions, offering 113 individual classes, have been financed 2007-2017. One significant achievement of this 10-year project is the 'Network of Digital Forensic & Analyst Specialists', now comprised of 900 trainees, from 42 EU Member States and neighbouring countries. Third countries having agreements on mutual assistance in customs matters may also apply. This network concretely contributes to increased transnational cooperation and coordination at EU level between competent authorities.

²⁴ MCI Benelux S.A located in Brussels.

In 2017, 255 persons attended the trainings financed by HERCULE III. These sessions were managed by a service provider in Zagreb, Croatia. 105 participants attended 'topic' sessions, for EUR 336 346. Approximately 150 participants attended the second session for an amount of EUR 589 398. The participants from this year's training came from 37 countries, 78 LEAs.

The growing number of digital forensic examinations results in an increased volume of data to process by intelligence officers. Consequently, there is a growing need for training analysts. For this reason, the new call for tender to be published in 2018 will include a dimension for analysts' training. This will complement digital forensics investigations by ensuring that data will be processed with a view to enhancing the quality, accuracy and efficiency of investigations related to EU funds.

2.2.4 Law training and studies

The law training and studies grants aim at enhancing the development of the legal and judicial protection of the financial interests of the Union. In 2017, the Commission awarded grants to applications that proposed actions covering three types of specific topics:

1. Developing high-profile research activities, including studies in comparative law;
2. Increasing cooperation and awareness among practitioners and academics (through conferences, including the organisation of the annual meeting of the presidents of the Associations for European Criminal Law and for the Protection of EU Financial Interests);
3. Developing periodical scientific publications and other tools for the dissemination of scientific knowledge.

The Commission received 18 applications from 10 Member States by the deadline of the call for proposals on 9 August 2017. The aggregated budget of the 18 actions totalled EUR 1.7 million and the Commission was asked to contribute for an amount of EUR 1.4 million (79% co-funding), where only EUR 500 000 was available. The Commission decided to award a grant to nine applications for an overall amount of about EUR 541 000 with an average co-financing rate of 77%. The grants were awarded, amongst others, for conducting studies on the cases of incompatibility and conflict of interest concerning the financial interests of the European Union, cyber fraud, new institutional setting for the protection of the financial interests of the EU, as well as for the publication of a periodical on the protection of the Union's financial interests. Table 7 in Annex 1 gives an overview of the awarded grants in 2017.

3. Achievements 2017

This section provides an overview of the main results achieved by beneficiaries implementing awarded grants. It presents the results of actions that came to an end in 2017, but that were initiated before 2017. As condition for final payment, grant beneficiaries must submit a final technical report outlining the main achievements and results of their actions. These results are examined in the light of the contribution made to the achievement of the **operational objectives** of the Programme.

All beneficiaries (grants and procured contracts) have also to report any problems encountered during the implementation of the action, such as delays in procurement procedures or staff changes. The final report has to indicate how these problems were

addressed and whether or not the problems eventually had an impact on the outcome or results.

Beneficiaries of grants for training activities (conferences, seminars and training sessions) also conduct a participant survey to measure the relevance, quality and overall user satisfaction of the event. The findings of these surveys are included in the final technical report submitted at the end of the action.

Beneficiaries of technical assistance grants submit a final implementation report one year after the closing date of their actions. This requirement was introduced since beneficiaries were often unable to report on these results at the end of their actions: technical assistance grants are awarded for the purchase and installation of technical equipment that, by the end of an action, has only been operational for a short period of time. The first tangible results of the use of technical equipment, such as the seizures of cigarettes, arrests made of suspected persons or estimates of prevented losses to the national or the Union budget, can only be reported several months after the closing date of the action.

3.1 To improve the prevention and investigation of fraud and other illegal activities beyond current levels by enhancing transnational and multi-disciplinary cooperation²⁵

The training activities finalised in 2017 consisted mainly of conferences and trainings with a small number of staff exchanges. A wide range of disciplines including combating irregularities in the use of EU funds, VAT fraud, combatting illegal trade, smuggling, and financial crime were covered. They contributed to improve the analyses of specific fraud patterns, to identify indicators of fraud, to share experience and to disseminate best practices while fostering cooperation between authorities to fight fraud detrimental to the EU budget. Significantly, nearly half of the projects aimed to enhance the fight against the counterfeiting and smuggling of tobacco and tobacco products. Fraud risk indicators and tools to prevent fraud emerged as new elements in 2017.

While most of projects addressed representatives of law enforcement agencies (police, customs, prosecution office), the participation of professionals, NGO's and educational institutions was also noteworthy. A total of 1 879 persons attended anti-fraud trainings and conferences and 1 604 post-event evaluations were received. The feedback received was overwhelmingly positive, showing that 95% of the participants assessed the events as 'excellent' or 'good'²⁶. Participants particularly appreciated the events having a practical impact on their daily work. Some participants noted that, while events generally had an international dimension, contact with participants from other Member States could be increased. Since similar observations were also made in 2016, the Commission, in its 2017 call for proposals, highlighted those applications aiming to strengthen networks through the exchange of best practices. To assess the mid-term impact of training actions, a "post-event" survey of participants is now requested six months after the implementation of events financed in 2017.

²⁵ Article 5(a) of Regulation 250/2014.

²⁶ Participants are asked to give their opinion on several statements, where their replies may vary between 'excellent', 'good', 'average', 'below average', and 'poor'.

The main results of these actions were:

- Improved investigation abilities of law enforcement officials involved in the protection of the financial interests of the European Union through the acquisition of new skills, knowledge and competences;
- Increased awareness on fraud risk indicators and EU anti-fraud policy;
- More widespread use of specialised methodologies, tools and techniques to fight against fraud affecting the Union's financial interests.

A comprehensive overview of the finalised training events is given in Annex 1, Table 6 (Training and Conferences) and Table 8 (Law Training and Studies).

The **Agenzia Veneta per i Pagamenti in Agricoltura (AVEPA)** organised a three-day roundtable in February 2017, in Padua (Italy). The roundtable led to the development of common guidelines on implementing best practices of anti-fraud procedures to be shared with European paying agencies and decision makers.

Participants were lawyers, researchers, and representatives of national and regional ministries, local administrations or European bodies from 12 Member States (AT, HR, CZ, EE, FI, IT, LV, LT, MT, PL, RO, SL).

The participants were tasked to:

- analyse the different fraud prevention systems currently adopted in European paying agencies;
- compare experiences on significant cases in order to point out mutual strengths and weaknesses;
- promote mutual exchange of techniques, staff exchange and trainings.

3.2 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 exchanges²⁷

The anti-fraud and law training activities contributed to the achievement of this objective.

²⁷ Article 5 (b) of Regulation 250/2014.

Transparency International Czech Republic conducted a study on tracing corporate control structures of companies and identifying companies which form groups engaged in tax avoidance. Following the study, a handbook was produced (in four languages: CZ, EN, DE and FR) providing a detailed description on how to reveal and evidence complex global corporate ownership structures in ten selected jurisdictions and how to monitor the funds flowing through these corporate ownership structures to tax havens and/or countries providing anonymity to ultimate beneficial owner(s).

The results of the study and the guide were presented during both a workshop held on 19 September 2017 in Prague with representatives of Czech companies, institutions, administrations and business associations and at a conference held on 24 October 2017 in Prague with international participants from business associations, academics and civil society.

The **annual AFCOS seminar** organised by OLAF took place in Budva (Montenegro) from 7 to 9 of June 2017. Its main objectives were to:

- enhance the investigative and policy cooperation of AFCOS and other relevant authorities with OLAF;
- provide a regional forum for the exchange of best practices on anti-fraud matters;
- clarify the implementation of the accession requirements regarding the protection of the EU's financial interests;
- discuss and clarify how to detect and report fraud.

The conference focused on the specific needs of target audience by:

- clarifying the differences between reporting in the Irregularity Management System (IMS) and informing OLAF of suspicions in order to trigger an OLAF investigation;
- providing practical examples from Member States (Italy, Spain and Romania);
- providing participants with clarifications on the practical cooperation with OLAF.

The conference contributed to the protection of the EU's financial interests by:

- bringing together OLAF's focal points from candidate countries (i.e. the AFCOS and similar authorities) to discuss practical issues regarding investigative and policy cooperation with OLAF;
- providing practical examples on how to detect and report fraud to EU Delegations and national authorities in enlargement countries;
- supporting candidate countries to implement the accession requirements under acquis Chapter 32 regarding the protection of the EU's financial interests;
- involving representatives from countries that signed association agreements with the EU (Georgia, Moldova and Ukraine) as observers to benefit from the exchanges and presentations.

The overall satisfaction rate of the participants was 4.9 points out of 5 points.

3.3 Strengthening the fight against fraud and other illegal activities by providing technical and operational support to national investigation, and in particular customs and law enforcement, authorities²⁸

Beneficiaries received grants for the purchase of technical equipment in order to:

- a) Strengthen the operational and investigative capacity by improving the quality, efficiency and effectiveness of technical hardware and technical support used in detecting and monitoring any illegal activity affecting the EU budget. It aims at a faster and more efficient detection of, e.g. smuggled cigarettes and tobacco, illicit goods or the identification of new fraud schemes and modi operandi;
- b) improve skills and qualifications of the beneficiary's staff that are tasked with the daily operations of the new equipment;
- c) improve the quality of evidence gathered during operations in support of fraud investigations. The improvements should speed-up legal proceedings in Member States and to reduce the number of dismissals during the prosecution or trial stages.

Technical assistance grants can also cover the expenditure for the maintenance of equipment as well as specific technical training for operational staff to ensure its optimal usage and management. Beneficiaries of technical assistance grants send a final implementation report on the results one year after the closing date of the agreement, thus enabling a better overview and understanding of the longer term impact of the Programme. Beneficiaries report, for example, on the number and amount of cigarettes and tobacco seizures, estimates of the prevented losses to the national and the Union's budget, the emergence of new fraud schemes, the detection of networks of organised crime groups or the number of arrests made.

The Commission received reports on the implementation of grants that were funded under the Hercule II and Hercule III budgets of previous years. Though it is difficult and sometimes impossible to establish a direct causal relationship between the grant, on the one hand, and the results achieved with the equipment purchased with financial support from the grant, on the other hand, it can certainly be assumed that without the financial support a substantially lower number of arrests, seizures and convictions would have been made. The seizures made with the help of x-rays scanners, for example, allow for a clear demonstration of this relationship, whereas this relationship is more difficult to demonstrate for support given for the purchase of digital forensics software or devices to monitor vehicles or persons suspected of involvement in illicit activities. The equipment, nevertheless, enables the beneficiaries to improve the overall efficiency and effectiveness of the operations they carry out in support of investigations to protect the Union's financial interests, as shown in the examples below.

Among the technical assistance grants finalised (final reports received) in 2017, two cases stand out as particularly illustrative of the aims of the Hercule programme:

²⁸ Article 5 (c) of Regulation 250/2014.

The Customs Department under the Ministry of Finance of the Republic of Lithuania was awarded a grant for the development and implementation of an IT system linking customs offices in Lithuania, Latvia and Estonia for the exchange of information and images generated by 12 X-ray scanners located at internal and external border crossing points. The IT tool was deployed in the second half of 2017 and it has already been used to assist authorities in Lithuania to make two different seizures of more than 12 million cigarettes and to prevent potential losses of almost EUR 2 million in October 2017. The action was a project of the Lithuanian customs, in conjunction with the Latvian and Estonian customs. Furthermore, it remains an example of best practices in information sharing between customs and law enforcement agencies in the Member States.

The National Anticorruption Directorate of Romania received a grant for the purchase of high performance audio and video recording devices (cameras, microphones) for operations aimed at observing and monitoring conversations and movements of persons under investigation. Digital forensic equipment was also purchased to be used for processing and analysing data recorded during operational activities of the beneficiary. The final technical report contained information on 33 operations related to investigations into allegations of corruption, bribing, leaking of confidential information, fraud, irregularities in public procurement procedures, VAT and tax evasion and insurance fraud perpetrated by individuals, including civil servants and members of law enforcement groups. The estimated amounts in several investigations reported amounted to more than EUR 50 million.

Technical assistance *implementation reports* submitted during 2017 describe the results obtained after 12 months of using purchased equipment. Fourteen implementation reports were received in 2017. These grants were awarded under the annual budgets of 2014 and 2015.

After one year of implementation, the **Polish Customs Service** reported that the use of the forensic equipment co-financed by Hercule led to seizures of EUR 117 million, 287 investigated persons and 35 convictions.

The **National Service for Intelligence and Customs Investigations (FR)** indicated that the localisation and surveillance equipment acquired contributed to EUR 73 million seizures and six arrests.

Portuguese Judicial Police report enhancements to the communication interception system in Portugal have led to improved investigation results especially those concerning organised crime. The purchase of special investigation technical equipment for electronic and mobile surveillance has contributed to the development in both hardware and software use. Reports following a year of implementation show that recoveries of more than EUR 30 million have been made including seizures of real estate, luxury vehicles and other goods. Significantly, more than 100 suspects were identified and 31 persons convicted. Cases of money laundering and tax fraud using stolen documents and "ghost" companies have also been reported.

Examples of procured access to external databases

The Commission procured access to external databases for use by Member States' law enforcement authorities. The databases containing trade information, company data or vessel movements provide essential operational information for joint investigations carried out with OLAF. The databases also provide input for risk analyses used by customs authorities to target their controls.

A commercial database of **worldwide trade statistics** with aggregated figures is used by both the Member States and OLAF to analyse **trade flows (imports and exports)** and to identify potentially suspicious trade and cross-check allegations of customs fraud. The statistics database is an essential part of a risk analysis system and is in regular use by customs analysts and investigators, enabling them to confirm or dispel any doubts, for instance, about misrepresentation of the declared origin of goods imported into the EU and circumvention of anti-dumping duties.

The trade database is primarily used by Member State customs services in connection with anti-dumping cases to confirm suspicion of a suspected misdeclaration of the country of origin. Using the database it is possible to compare exports from a non-EU country to a Member State with the imports by a Member State from the same third country. These figures should balance. If exports are less than imports, this is an indication that the imported goods do not actually come from the third country; for instance, the true origin could be a country on which anti-dumping duties are imposed. This analysis was used to reveal incorrect reporting of imported goods from third country A. While there were no official exports from third country A to the Member State, the Member State had imports of goods declared as originating in third country A. Investigations revealed that the goods actually came from another third country B, and that anti-dumping duty should be paid.

The Member States' customs authorities also use information on exports with a view to investigating whether other EU Member States have imports of the same kind of goods from a concerned country. For example, information on exports of a product from a third country to a Member State was used in order to take appropriate action in conjunction with OLAF as the problem also affected other Member States. Finally, a comparison of information on imports and exports may also indicate wrong tariff classification, or wrong declaration of customs value.

Trade statistics data is used by a Member State customs service as one of the key elements to estimate reference prices, and is part of a system widely used to fight undervaluation of textile products. It is also used to estimate average prices in Member States used for comparison purposes. The database allows identification of goods imported to a Member State at significantly lower prices than other Member States, indicating possible nationwide undervaluation. This identification is difficult to do at purely national level, especially if the undervaluation has consistently taken place over time.

Member States customs authorities use a database with **information on vessel movements** in supporting risk analysis on commercial vessel traffic and in this way the information contained in the database contributes to combatting fraud affecting the financial interests of the EU, including cigarette smuggling. The database is used in vessel tracking analyses and finding data on vessels in combination with other databases. Furthermore, it is used to check the actual routes of vessels in order to verify the origin of goods, especially when fraud is detected in anti-dumping duty evasion in risky and potentially suspicious cases of import transactions. This database was used, for instance, to verify certificates of origin suspected of being unduly issued from a third country, which was confirmed by further checks. In another case, the database was used to determine the avoidance of anti-dumping and countervailing duties on imports of a product originating from a third country, which was transhipped via

another country and the origin was misdeclared as being the latter country.

Databases with **information on companies** are very useful tools to support investigations related to fraud affecting the financial interests of the EU. For example, one investigation led two Member States' customs authorities to find and seize large quantities of illegal cigarettes in a container imported into the EU, two persons arrested, and prevented significant losses in customs duties and taxes.

Examples of operational results obtained from the use of the AMT and ConTraffic-SAD tools and the tobacco analyses laboratory (developed with the JRC)

The **Automated Monitoring Tool (AMT)** is used as part of a suite of risk analysis tools by the Member States' customs authorities to identify cases of potential fraud, such as undervaluation (tax evasion), which affect the national and EU budgets. It provides objective statistical values for imports of goods, known as cleaned average prices, providing reference EU prices for the determination of the customs value of imported goods. Customs authorities use these AMT values, for example, when they have doubts concerning the declared customs value of goods or to challenge understated values declared by importers. The scale of undervaluation has decreased in those Member States using the AMT, thereby reducing the level of losses to the EU and Member States' budgets in customs duties and taxes.

In 2017, a joint customs operation was conducted by several Member States' customs authorities targeting criminal networks importing textiles and footwear from a third country into one Member State. Over 275 physical and documentary controls were carried out by nine Member States and the data gathered is being analysed. Initial analysis shows that the value of imported goods from this third country was significantly understated, leading to substantial losses to the EU and Member States' budgets in customs duties and taxes.

A Member State customs service used the AMT tool in an experimental methodology that aims to highlight, analyse and control customs declarations with statistical anomalies in terms of values declared for imported goods. Using this tool the customs service has registered 467 risk profiles from 2014-2017. The method has proved efficient (out of approximately 1 300 controls in 2017, 30% of the selections led to the discovery of irregularities). The customs service uses the AMT tool to guide controls. The types of irregularities identified are mainly misclassification, undervaluation or misdescription of value (typing error). Controls of suspicious imports revealed a significant rate of irregularities in 2017. This system has led to the discovery of many cases of undervaluation since 2014 and to increased customs duties and VAT collected.

Using the AMT tool to identify undervaluation and excise duty fraud, one Member State reports that the procedure gave rise to the selection of 31 companies for a customs audit. The estimated total customs duties at risk in the identified cases was approximately EUR 350 000.

In 2017, the JRC developed a new **ConTraffic-SAD data analysis system** which can be used to detect cases of potential customs fraud related to declarations of origin at import. The system performs an automatic and systematic verification of the origin of goods declared in the customs import declarations (Single Administrative Documents-SAD) with the information on the itinerary followed by cargo container(s). The new system is based on the results of the ConTraffic-SAD analysis pilot, which was developed by OLAF and JRC in collaboration with several Member States' customs authorities, and it makes use of a database containing container movements data (Container Status Messages-CSMs). The system analyses the SAD customs declarations related to cargo containers imported into the EU by sea, submitted by participating customs authorities, in view of identifying new cases of customs fraud involving misdeclarations of product origin. As a result of this type of analysis, fraud signals related to potential misdeclarations of origin were generated and reported to the participating Member States' customs authorities. The identified signals are used by customs, to support risk analyses and decisions to make document or physical controls or to open investigations.

During 2017, almost 4 million import declarations from 10 Member States' authorities have been analysed and 2% of them presented potential irregularities concerning the declared origin of goods. As a result, more than one hundred fraud signals were identified and communicated to Member States for further investigation.

The use of the analysis of data on cargo container traffic helped Member States to detect cases of customs fraud related to false declarations of country of origin, for example:

A Member State customs service has reported that the signals of potential fraud produced by ConTraffic-SAD in the period 2012-2016 were analysed and a number of these signals were found as true positive. One signal about imported goods resulted in the detection of a customs fraud of significant value. It has also reported that in 2017, resulting from an initial investigation of the fraud signals reported, three important positive cases were found. All concerned false origin and/or anti-dumping duty evasion. For instance, in one case, the commodities are subject to anti-dumping duties with a potential evasion of about EUR 1.5 million.

The laboratory for testing tobacco at the JRC-Geel facility became operational in April 2016 and has been used by Member States' customs services. Moreover, a dedicated IT module on the OLAF Anti-Fraud Information System (AFIS) platform handling requests for analysis became operational in June 2016. JRC carries out various chemical analyses of seized cigarettes and tobacco at the request of Member States' authorities and, from time to time, OLAF. The results of the analyses allow identifying the geographical origin of the tobacco in illegal consignments of tobacco products, linking seizures from a common source, comparing the chemical composition of seized tobacco products against reference samples to determine whether they are genuine or counterfeit. A database with information on the chemical composition and origin of seized smuggled and counterfeit tobacco products is also maintained and updated. The information is compared to profiles from a reference database in order to help with the identification of the origin of a seizure and to check the authenticity of tobacco. The reference database has been enhanced. The number of profiles of both seizures as well as legally traded tobacco products continue to increase, facilitating the identification of counterfeits and smuggled tobacco. Testing of nearly one hundred seized cigarette and

tobacco samples was carried out during 2017. The information obtained from these analyses facilitated the establishment of links between seizures within the EU. This allowed tobacco investigators to share intelligence and draw useful conclusions on on-going investigations carried out in different Member States.

3.4 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 counterfeiting²⁹

Several actions contributed to achieving this objective in 2017. The widespread availability of illicit tobacco within the EU has led to the loss of considerable tax and duty revenues (losses to the EU and Member States' budgets as a result of cigarette smuggling are estimated to be at least EUR 10 billion per year³⁰). One feature of the illicit market for cigarettes in the EU is the significant quantity of counterfeit products available at a lower cost than the genuine products.

The **Financial Directorate of the Slovak Republic** organised two five-day training sessions, in Belá. They were attended by customs officers and experts from five Member States (CZ, DE, ES, HU, SK). The topics of the training courses were: (i) the elimination of corruption and illicit trade in cigarettes, tobacco and tobacco products, (ii) psychology of communication, and (iii) protection of intellectual property rights.

The project focused on the detection of illegally imported tobacco products in Slovakia and on its financing. It contributed:

- to minimize the influx of illegal cigarettes on the domestic market and related money laundering adversely impacting the State budget;
- to an increased professionalism in the fight against the customs fraud with the support of special non-destructive methods during customs controls;
- a strengthened detection of illegal smuggling of cigarettes, tobacco and tobacco products.

The project aims to increase the number of cigarettes, tobacco and tobacco products seized. In addition, the e-learning course designed for the project can still continue to be used for training customs officers in Slovakia. The exchange of new information, experiences and knowledge reinforces efforts in the fight against fraud and the detection of smuggled and counterfeit tobacco and tobacco products, improving international cooperation between Slovakia, other Member States and OLAF.

OLAF co-organised with Estonian Tax Customs Board the **22nd Task Group Cigarettes Conference** in June 2017 in Tallinn (Estonia). During this three-day conference, OLAF shared best practices about international cooperation concerning the fight against cigarette smuggling involving OLAF, Member States and the third countries. It provided an opportunity to strengthen relationships with key third countries including Moldova, Ukraine, Russia, Georgia and Turkey and to create new relationships with Lebanon, Kosovo and

²⁹ Article 5(d) of Regulation 250/2014.

³⁰ COM(2013)324 final of 6 June 2013: Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products – A comprehensive EU strategy.

Montenegro. OLAF presented its most significant investigations. The following main topics were also highlighted:

- the new laboratory facility and associated data management for the analysis of tobacco products;
- the emerging phenomenon of water pipe tobacco, in particular in the northern region of Europe;
- the recurring phenomenon of illicit factories.

3.5 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 analysis³¹

This operational objective is mainly achieved through law training grants awarded for comparative law studies, legal conferences, seminars and periodical publications.

The Programme continued funding the publication of **“eucrim – The European Criminal Law Associations’ Forum”**, which was published in four issues during 2017 by the German Max Planck Institute. The periodical addressed current developments in the reform of European Criminal Law, the newly adopted Directive of the European Parliament and of the Council on the fight against fraud to the Union's financial interests by means of criminal law, the individual rights in the area of freedom, security and justice, the European Public Prosecutor's Office and the evaluation of the OLAF Regulation No. 883/2013. Each issue was printed in 2000 copies and distributed to universities, libraries, courts, law enforcement authorities and individual subscribers. The articles were published on the internet as well³², free of charge.

The Centro di Diritto Penale Europeo in Catania conducted a comparative law study on the common general principles and legal standards concerning criminal law having an impact on the protection of the financial interests of the EU. The beneficiary carried on a systematic analysis of the provisions of the Treaties and other relevant EU legal texts, as well as of the national provisions and legal cases in the selected seven Member States (DK, FR, DE, IT, PL, ES and UK) and identified the main issues practitioners face when dealing with concrete cases where these principles are in question.

Following the study, a proposed European curriculum for legal training of practitioners specialised in the protection of the Union's financial interests was prepared, conceived to be integrated and implemented by European and national institutions involved in the training of judges and prosecutors, as well as of defence lawyers. A workshop with experts (practitioners, representatives of national training authorities, etc.) was organised in Catania on 16-17 June 2017. The results of the discussions were incorporated into the final version of the proposed guidelines.

³¹ Article 5(e) of Regulation 250/2014.

³² <https://eucrim.mpicc.de/>

Utrecht University conducted a study on OLAF's legislative framework compared to other EU law enforcement authorities (European Competition Network, European Securities and Markets Authority and European Central Bank). The report compared the investigative role and interaction with national partners in six Member States (DE, HU, IT, LU, NL and UK) of these EU authorities. The project led to the identification of different models of interaction, highlighting the advantages and disadvantages of each. OLAF's position was then compared to the selected EU authorities in terms of power to conduct autonomous investigations and to steer and guide cooperation with national partners. The report also identified, in varying degrees, the EU legislative shortcomings in the legal design of the EU authorities analysed.

4. Communication

The successful implementation of the programme required a structured way to inform potential beneficiaries on funding opportunities, and to provide answers to questions from (potential) applicants. Moreover, the Commission is required³³ to disseminate information on the achievements and the results of the actions that received funding.

4.1 Informing potential applicants

Notices concerning the launch of Calls for proposals were published in the Official Journal³⁴ and the full texts of the documents were made available on the Commission's website³⁵. The professional networks were actively informed. Potential applicants were also informed via emails sent to the members of the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF), the OLAF Anti-Fraud Communicators Network (OAFCN) and European Judicial Training Network (EJTN).

4.2 Dissemination of results

The dissemination of the results of actions under Hercule programme, in particular technical assistance, is rather sensitive as most of the achievements relate to investigations for which information cannot be disclosed. The dissemination on training activities was made through the distribution of electronic and/or paper reports summarising the event. Some beneficiaries posted the training materials on their websites or created dedicated websites.

4.3 Publicity

Under the training type of actions, all beneficiaries of grants were requested to mention the support from the Hercule III programme:

- In every publication (title page) or related material developed (e.g. studies, booklets, newsletters, leaflets);
- In electronic information (e.g. websites, audio-visual material, videos, software);
- At information events (conferences, seminars);
- Insert a link from their website to the Hercule III programme's site.

³³ Article 13(1) of Regulation 250/2015: *The Commission shall on an on-going basis disseminate, including on relevant websites, the results of the activities supported under the Programme to increase transparency on the use of the funds*".

³⁴ OJ C 196 of 20 June 2017.

³⁵ http://ec.europa.eu/anti-fraud/policy/hercule_en

The Commission continued its efforts to improve the readability of the website with information on the Hercule Programmes. Beneficiaries of technical assistance grants were requested to mention the Hercule support in their reports and any other document or press release that reported on the results: press releases issued following seizures of counterfeited or smuggled cigarettes made with Hercule funded equipment, for example, should refer to the Union's funding. There is no requirement to include a reference to Hercule funding on equipment purchased with a grant, in particular if this might endanger operations or investigations.

5. Feedback from participants of the programme

As indicated in section 3.1, beneficiaries of grants for trainings, conferences and seminars carry out surveys among the participants to collect information on the perceived quality and relevance of the event. A total number of 1 879 participants attended Hercule training events in 2017. The Commission received 1 604 completed questionnaires (85% response rate), most of which indicated a high level of satisfaction. More than 95% of the participants considered the event 'good' or 'excellent'. Written feedback confirmed the target audience, the event's relevance for the participants' professional activities, the quality of the organisation, the speakers, venue and other relevant aspects.

6. Mid-term evaluation of the programme

The Commission carried out a mid-term evaluation of the Programme covering the first half of its duration, 1 January 2014 until June 2017³⁶. As the Regulation requires an independent assessment, the evaluation was supported by a study carried out by an external contractor.

The evaluation highlighted that the drivers of the Commission's proposal for the Hercule III Programme are still prevalent, in particular, the occurrence of fraud to the EU financial interests. The mid-term evaluation has demonstrated that the Programme, in its current form and at this stage of its implementation, has largely fulfilled its mission. It has proven relevant, mechanisms are in place to ensure its coherence, and it has been effective and efficient. Moreover, there is a clear added-value to have such a programme at the level of the EU, and the activities of the Programme have been found largely sustainable.

It has financed actions which clearly contributed to the protection of the EU financial interests (e.g. by financing scanners to detect smuggled goods, or supporting digital forensic trainings to the benefit of national services in charge of investigating cases involving the EU financial interests). The evaluation clearly demonstrated the EU added-value of the programme. The stakeholders almost unanimously recognised its added value and essential contribution to generating benefits. The majority of stakeholders also considered that the benefits from the programme would not materialise without the support of Hercule III or equivalent EU funding.

During the external evaluation process, some ideas have been tabled for possible new objectives and activities for the programme going forward for the next three years of the life of the Programme. Particular areas identified were cross-border cooperation between Member

³⁶ COM(2018) 3 final and SWD(2018) 3 final of 10.01.2018.

States, cooperation with non-EU partners, as well as new technological developments. These ideas will also feed into the wider reflection about the support to anti-fraud activities in the context of the preparations for the future multi-annual financial framework post-2020.

7. Conclusions and way forward

The Hercule III programme continues to be an important and effective tool in the protection of the financial interests of the Union. The results outlined above demonstrate that the actions undertaken with support from the Programme contributed to the prevention and fight against fraud, corruption and other illegal activities affecting the financial interests of the Union.

The relevance of the programme's aims and objectives is supported by the findings of the mid-term evaluation carried out in 2017. In particular because of the relatively modest size of the programme, the demand for financing from eligible bodies consistently exceeds available funds.

The introduction of the electronic submission and processing of grant applications is an important development in 2017 which has considerably shortened the time for notifying applicants about the outcome of the evaluation procedure. As its full implementation continues, this electronic system is expected to reduce the administrative burden for applicants, grant beneficiaries and the Commission. The revised EU Financial Regulation, expected to enter into force in July 2018, will further simplify the beneficiaries' access to EU funds. The new rules will emphasise the achievement of results, reducing the administrative burden for both beneficiaries and authorities, who will be able to focus on policy achievements rather than collecting and checking financial documents. The risk of error will also decrease and it will become easier for small beneficiaries with limited resources to access EU funds. These significant changes will be reflected upon the 2019 calls for proposals onwards, facilitating the access to the programme of potential beneficiaries from Member States.

The Hercule III programme will come to an end on 31 December 2020. Acknowledging the contribution of the Hercule III programme, the Commission has adopted on 30 May 2018 a proposal for a new anti-fraud programme under the financial framework 2021-2027. The proposal is essentially to replicate the Hercule programme, and combine it with two activities carried out by OLAF: the Anti-Fraud Information System (AFIS) which supports, essentially, operational activities in the area of mutual administrative assistance between Member States' customs authorities, and the Irregularity Management System (IMS), an IT system that allows the Member States to report detected irregularities to EU funds and which supports the management and analysis of these. This combination will allow creating synergies and flexibility between the three components of the new programme.

Annex 1: Grants and contracts awarded and finalised under the 2017 Financing Decision

Table 1 - Technical Assistance grants awarded under the 2017 Financing Decision

	MS	Beneficiary	Subject	Awarded Grant in Euro	Co-fin %
1	NL	The National Police of the Netherlands	TSO Innovative Operational Network	460 307	80
2	PT	Autoridade Tributária e Aduaneira	Scanner –Setubal Port	1 520 000	80
3	LT	Customs Department under the Ministry of Finance of the Republic of Lithuania	Strengthening of operational and technical capacities of the Lithuanian Customs to detect smuggled goods in particular cigarettes	1 603 306	80
4	PL	Komenda Wojewódzka Policji w Olsztynie	Improving the effectiveness of detecting and combating tobacco crime and financial fraud - mobile unit	465 678	80
5	RO	Inspectoratul General al Politiei Romane	Electronic System for Investigating Financial and Economic Crimes which affect the financial interests of the Union	400 000	80
6	LT	Valstybes sienos apsaugos tarnyba prie Lietuvos Respublikos vidaus reikalų ministerijos	The use of unmanned aerial vehicles in the Sate Border Guard Service's activity against tobacco smuggling	79 168	80
7	FI	Tulli	LIPRE (Licence Plate and Container Recognition System)-Protection and reliability	655 360	80
8	RO	Directia de Investigare a Infractiunilor de Criminalitate Organisata si Terorism	Improved special investigation methods in tackling high-profile OCG smuggling at the EU Eastern border (EASTEROS)	420 328	80
9	CZ	Generalni reditelstvi cel	Mobile X-Ray unit for inspection of personal luggage and parcels transported in road, train and air transport	246 485	80
10	RO	Anticorruption General Directorate	Raising Efficiency of action to fight Against Corruption Threat and any type of Fraud - REACT to Fraud.	116 072	80
11	DE	Der Polizeiprasident in Berlin	Preventing and combating identity fraud and related crime	86 534	80
12	IE	The Revenue Commissioners	Procurement of Mobile Back Scatter X-Ray Scanning Van	515 057	50
13	LV	Valsts tiesu ekspertizu birojs	Operational capacity building of the forensic document examination	563 104	80

14	RO	Direcția Națională Anticorupție	Improving the Capacity of the National Anticorruption Directorate in Investigating Fraud and Corruption detrimental to the Financial Interests of the EU	259 618	80
15	RO	Inspectoratul de Politie Judetean Brasov	Fraud investigation in Brasov County with digital forensic hard and software	105 478	80
16	LT	Customs Criminal Service	Development of Criminal Intelligence Technical Tools	483 347	80
17	EL	Ministry of Citizens Protection	Find – Fix – Finish – Exploit – Analyse – Disseminate	397 019	80
18	LT	Financial Crime Investigation Service	Procurement of intelligence equipment	102 979	80
19	ES	Ministerio del Interior	Sunrise Hawk	604 174	80
20	EL	Special Secretariat Financial and Economic Crime Unit	Plan for REinforced Defence Against Fraudulent Activities - PREDAFA	347 298	80
21	SI	Ministrstvo za Notranje Zadeve	Technical Assistance for SI mobile ANPR and the setting up of a Advanced Investigation Platform (AIP)	460 680	80
22	RO	National Agency for Fiscal Administration	Increasing the role of mobile teams in preventing and combating smuggling and customs fraud so as to protect national and Community economic interests	319 200	80
			Total	10 211 195	78.6

Table 2 - Technical Assistance grants finalised in 2017

	MS	Beneficiary	Subject	Amount paid	Amount paid as % to initial commitment ³⁷
1	RO	General Inspectorate of the Romanian Police	Strengthening of operational capacity	902 601	98
2	FR	Direction Nationale du Renseignement et des Enquêtes Douanière - DNRED	Renforcement du dispositif opérationnel d'identification et de surveillance des véhicules et mise en place d'une analyse automatisée des informations	150 355	100
3	IE	Office of the Revenue Commissioners	Purchase of mobile X-ray scanner	750 000	100
4	BG	Research Institute of Forensic Sciences - Ministry of Interior - RIFS	Strengthening of operational capacity	283 841	100
5	NL	Fiscale Inlichtingen- en Opsporingsdienst - FIOD	Upgrade IMSI catcher	454 960	88
6	AT	Federal Ministry of Finance - BMF	Purchase of mobile x-rays scanners	471 843	94
7	SE	Swedish Customs - Unit Law Enforcement	Purchase of Automated Vehicle Number Plate Recognition System	62 749	39
8	BE	Service Public Fédéral Finances - Administration des douanes et accises	Strengthening of operational capacity of TSU	10 320	24
9	SE	Swedish Customs - Unit Law Enforcement	IMSI catcher	373 340	95
10	LT	Customs Department under the Ministry of Finance of the Republic of Lithuania	Joint data exchange network between X-ray scanners used by customs services of Baltic States	1 967 110	89
11	LV	State Revenue Service of the Republic of Latvia	Strengthening the Technical Capacity	669 870	100
12	LV	Republic of Latvia Ministry of Interior State Police	Strengthening the Technical Capacity	110 482	100
13	LT	Customs Criminal Service - MKT	Purchase of IT forensic equipment	288 110	100
14	PL	Chamber of Tax Administratin in Olsztyn	Purchase of equipment for detecting illicit cigarettes	783 527	78
15	RO	National Anticorruption Directorate within the Prosecutor's Office attached to the High Court of Cassation and Justice - DNA	Improving the operational and technical capacity	161 973	94
16	HU	Special Service for National Security - SSNS	Improving technical capacity electronic surveillance	332 279	85
17	BE	Belgian Customs and Excise Administration	Technical assistance for the fight against EU-fraud	956 774	94
18	PT	Polícia Judiciária	Purchase of computer forensic anti-fraud collaborative system	759 533	97
19	LT	Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania - FCIS	Procurement of Intelligence Equipment	100 299	100

Final payment as percentage of the awarded grant. A percentage lower than 100% means that the action was not fully implemented or that the beneficiary managed to achieve considerable cost savings.

20	PL	Chamber of Fiscal Administration in Bialystok	Modernisation and expansion of the cross-border traffic control system	358 183	100
21	FI	Tulli - Finnish Customs - Valvontaosasto	MobileX - Protection with Flexibility	1 257 796	78
22	FR	Forensic and Criminal Intelligence Agency of the French Gendarmerie - PJGN	Advanced digital forensic analyses	333 840	97
			Total	11 539 774	89

Table 3 - Databases that were contracted under the Hercule III budget in 2017

	Name	Content	Commitment in Euro
1	IHS Maritime Portal	Information on ship movements	239 530
2	GTA	Global Trade Atlas: trade statistics data	206 060
3	ORBIS	Bureau van Dijk: contains basic company information and financial details of companies all over the world	300 000
		Total committed under 2017 budget	745 590

Table 4 – Anti-Fraud Training and Conferences grants awarded in 2017

	MS	Beneficiary	Subject	Commitment in Euro	Co-fin %
1	HR	Ministry of Finance, Service for combating irregularities and fraud	Further strengthening of the competent institutions in the area of managing on irregularities with the aim of protection of EU financial interests	66 169	80
2	FR	Fondation Robert Shuman	Fighting Transit Fraud in the European Union	93 709	79
3	IT	Agenzia Veneta per i Pagamenti in Agricoltura	Strengthening Actions to Fight Frauds in Procurement	68 877	79
4	IT	Fondazione Lelio E Lisli Basso-Onlus	International Conference on Enhanced Cooperation for the Establishment of the EPPO.	64 910	80
5	RO	Centrul de Resurse Juridice	Corruption in EU financed projects: a review of corruption schemes, prevention mechanisms and investigation strategies	80 193	79
6	IT	Ministero Dell Economia E Delle Finanze	Cooperation project	99 938	80
7	IT	Istituto Europeo Per Lo Sviluppo Socio Economico Associazione	EU Funded actions: Detecting, Handling, Learning how to prevent Frauds and Irregularities in International Cooperation and Development Projects (IPA and ENI)	91 951	80
8	DE	Generalzolldirektion	International fight against water pipe tobacco smuggling	55 085	80
9	CZ	Transparency International - Ceska Republika Ops	Clean Contraction in the European Funds	44 378	80
10	HU	Nemzeti Adó- és Vámhivatal	Anti-Cigarette Smuggling Staff Exchange Program	84 992	80
11	HU	Transparency International Magyarország Alapítvány	Exchange of expertise in identifying fraud risks to protect EU financial interests	40 506	80
12	RO	National Agency for Fiscal Administration	Improving NAFA's administrative capacity in fighting VAT intra-community fraud through an increased knowledge and awareness of the risks and a better use of fraud prevention and combating tools	59 943	80
13	BG	Center For the Study of Democracy	Innovative Methods to Investigate Fraud and Corruption in EU funding for agriculture	52 702	80
14	RO	Academia De Politie Alexandru Ioan Cuza	Eliminating fraud and preventing incompatibilities, a safe way towards successful access to European funds	34 942	80
15	RO	Freedom House Romania	Enhancing the Legal Protection for EU's Financial Interests in Romania	75 399	80
			Total	1 013 694	80

Table 5 – Anti-Fraud procured conferences organised by the Commission in 2017

	Dates	Conference Title	Location	No of participants	Amount paid ⁽¹⁾
1 ⁽¹⁾	29 March 2017	OLAF Training meeting on strengthening cooperation to combat transshipment fraud	Hong-Kong	16	29 052
<p>Results: The purpose of the meeting was to increase the effectiveness and efficiency of the special watch of suspicious containers subject to transshipment fraud by enhancing international cooperation, facilitating the exchange of information, experiences and best practices and by providing operational support to regional customs authorities. It aimed to deliver a training session regarding the installation and the use of the Virtual Operational Coordination Unit (V-OCU) application (AFIS) to the customs services of pre-selected ports in Asia with a view to track and trace deep sea containers loaded in Asia and discharged in the EU. The meeting addressed abuses of transshipment procedures an issue of common concern for the customs authorities in both Asia and in the EU. The meeting strongly contributed to the prevention and the fight against the transshipment fraud. It also enhanced the international cooperation in the anti-fraud sector in facilitating the exchange of intelligence and the implementation of operational actions.</p>					
2	7- 9 June 2017	AFCOS seminar 2017	Budva. Montenegro	59	59 999
<p>Results: This event brought together AFCOS and other relevant authorities from candidate countries, potential candidate countries, as well as Eastern Partnership countries (Georgia, Moldova and Ukraine) with whom the EU has concluded association agreements. This annual event sought to present the work of OLAF and AFCOS authorities, to discuss challenges in their cooperation, and to share best practices and experience in the areas of the protection of the EU's financial interests (e.g. functioning of AFCOS, investigative cooperation, preparation of an antifraud strategy, irregularity reporting).</p> <p>The event featured practical examples of how to detect and report fraud to EU Delegations and to national authorities in enlargement countries. It also provided guidance to candidate countries on the implementation of the accession requirements under <i>acquis</i> Chapter 32 regarding the protection of the EU's financial interests.</p>					
3	12-13 June 2017	Fight against the import into the EU of Counterfeit Fast Moving Consumer Goods (FMCG)	Brussels Belgium	60	43 627
<p>Results: The participants exchanged operational information related to the import into the EU of counterfeit FMCG (e.g. washing powder). They gathered available information from the right-holders, identified possible new fraud patterns and new threats, increased enforcement capabilities of the participating customs administrations, consolidated network of point of contacts and shared information aiming at better targeting system based on common approach on risk profiling. Finally, they agreed on further steps to be taken.</p>					
4	20-21 June 2017	JCO RENEGADE de-briefing meeting	Lisbon Portugal	54	103 992
<p>Results: The participants to the debriefing analysed the results of the operation and agreed on the final report. The meeting summarised various elements of the operation, agreed on a press communication, and led to discussions for further cooperation and the identification of potential improvements to IT-applications.</p>					
5	26-29 June 2017	22 nd Task Group Cigarette conference	Tallinn Estonia	70	98 124
<p>Results: This event confirmed the role of OLAF in its coordination and investigation activities concerning the smuggling of cigarettes into EU. This conference focussed particularly on third countries as key partners in the fight against cigarette smuggling into EU (Moldova, Ukraine, Russia, Georgia and Turkey). It highlighted important relationships with Lebanon, Kosovo and Montenegro.</p>					
6	15 December 2017	Workshop on an amendment of Regulation 883/2013	Brussels Belgium	19	6 517
<p>Results: The participants discussed options for the amendment of Regulation 883/2013. The results of the workshop fed into the discussions on the amendment of the Regulation.</p>					

7 ⁽²⁾	25-26 January 2018	14th OLAF Anti-Fraud Communicators Network (OAFCN) Training Seminar	Brussels Belgium	55	41 003
Results: This event provided hands-on training for anti-fraud communicators from the OLAF partner services on the most recent techniques to communicate to deter fraud. Communication kits were created and distributed to OLAF partners to prevent and deter fraud.					
8 ⁽²⁾	23 March 2018	EESC Conference - fighting the illicit tobacco trade	Brussels Belgium	200	49 009
Results: The Tobacco Implementation Report foresaw a further consultation with stakeholders (tobacco industry, consumer association, health non-governmental organisations and academia). Emphasising the stakeholder perspective, the event was organised to deter illicit tobacco. An important feature of the event was the cooperation with the European Economic Social Committee (EESC).					
			Total⁽³⁾	262	312 259

⁽¹⁾ For event n° 1, we have not yet received the final invoice. Since the amounts paid and the actual number of participants are not known yet, the amounts indicated correspond to the provisional number of participant and the committed amount.

⁽²⁾ Event n° 7 and 8 were committed under Hercule Budget 2017, but implemented in 2018. Since the amounts paid and the actual number of participants are not known yet, the amounts indicated correspond to the provisional number of participant and the committed amounts.

Table 6 - Anti-Fraud Training and Conferences grants finalised in 2017

	MS	Beneficiary	Title	Participants	Total paid	Amount paid as % to initial commitment ³⁸
1	IT	Presidency of Council of Ministers — Department of European Policies	Cooperation Project in the Anti-Fraud Sector	221	70 890	80
2	UK	Royal United Services Institute (RUSI)	Conference on organised crime and illicit trade in Europe	77	72 202	95
3	CY	European University — Cyprus Ltd	Financial investigation coordination in Cyprus	485	48 254	79
4	PL	Border Guard Headquarters	Crime analysis as a tool to combat illegal international trade and to fight against smuggling of excise goods aimed at fraud prevention affecting the financial interests of the European Union	157	36 893	46
5	CZ	Transparency International	Towards better fraud risk management in EU funds	121	26 683	83
6	HU	Transparency International HU	Knowledge and experience sharing on the use of the red flag signalling tool for cleaner and more transparent EU spending	69	43 033	90
7	PL	Ministry of Finance, Treasury Intelligence Department	‘Chasing beyond borders’ — joint training of Polish Treasury Intelligence and Czech Custom Service	114	69 136	77
8	RO	Ministry of Internal Affairs	Enhancing the capacity of the Romanian ministry of internal affairs to prevent and investigate frauds affecting financial interests of the European Union, through training and partnership	125	35 423	59
9	SK	Financial Directorate of the Slovak Republic	Training focused on increasing the effectiveness of customs controls in the fight against fraud and detection of illegal practices in the smuggling and counterfeiting of tobacco and tobacco products at the external border and inland by using available technical and communications means	103	59 670	82
10	BG	National Revenue Agency (NRA)	Increasing NRA’s administrative capacity in the intracommunity trade control by improving the interaction between the EU member states’ administrations in combating tax fraud	118	42 939	72
11	EL	Hellenic School of Judges	Fraud against the EU by illegal subsidies in agricultural products and tobacco smuggling	117	45 014	72
12	IT	Agenzia Veneta per i Pagamenti in Agricoltura- AVEPA	SafeNet: Strengthen Anti Fraud European Network	55	56 955	83
			Total	1 762	607 092	83

³⁸ Final payment as percentage of the awarded grant. A percentage lower than 100% means that the action was not fully implemented or that the beneficiary's managed to achieve considerable cost savings.

Table 7 - Law Training & Studies grants awarded in 2017

	MS	Beneficiary	Subject	Commitments in Euro	Co-fin %
1	LU	University of Luxembourg	Admissibility of OLAF final reports as evidence in criminal proceedings	78 000	63
2	RO	"Alexandru Ioan Cuza" Police Academy	Developing the capacity to prevent and investigate situations of incompatibility and conflict of interest affecting the financial interests of the European Union	42 115	80
3	DE	Max Planck Society for the Advancement of Science	eu crim: The European Criminal Law Associations' Forum - publication of a periodical on the protection of the EU's financial interests	74 146	80
4	IT	Modena University	Europe Against Cyber VAT Frauds	66 323	80
5	HU	Miskolci University	Criminal law protection of the financial interests of the EU – Focusing on money laundering, tax fraud, corruption and on criminal compliance in the national legal systems with reference to cybercrime	74 144	80
6	MT	Malta University	Implementing Enforcing EU Criminal Law – Theory and Practice	58 562	80
7	RO	Anticorruption National Directorate	Promoting the protection of the financial interests of the EU by supporting the actions of the member states and the European institutions in the transition towards the EPPO	65 595	80
8	NL	University of Utrecht	OLAF and the EPPO in the new institutional setting for the protection of the financial interests of the EU	40 032	80
9	DE	European Law Academy	Understanding each step of the “anti-fraud cycle”: prevention, detection, investigation, sanctioning and recovery to combat the irregularities affecting the financial interests of the European Union	42 224	80
			Total	541 140	77

Table 8 - Law training and studies grants finalised in 2017

	MS	Beneficiary	Title	N° of part.	Total paid	Amount paid as % to initial commitment ³⁹
1	DE	Max Planck Institute for Foreign and International Criminal Law	Periodical publication "eucrim" - The European Criminal Law Associations' Forum	N/A	49 682	78
2	IT	Centro di Diritto Penale Europeo Catania	Comparative law study Preparing the environment for the EPPO: Fostering mutual trust by improving existing common legal heritage and enhancing common legal understanding. Proposal for a preliminary study and guidelines for a model "framework curriculum" for legal training of practitioners in the PIF sector.	N/A	84 860	82
3	NL	Utrecht University, School of Law, Utrecht Centre for Regulation and Enforcement in Europe/RENFORCE	Comparative law study OLAF's legislative framework through a comparison with other EU law enforcement authorities	N/A	69 987	93
4	IT	Transparency International Italy	Comparative law study Impact of statute of limitations in corruption cases affecting EU Financial Interests – A European Comparison	N/A	41 859	96
5	IT	Alma Mater Studiorum - University of Bologna - Center for Research and Training for the Public Sector - European School of Advanced Fiscal Studies	Comparative law study, workshop and conference Investigations and Sanctions for VAT frauds: Fundamental Principles and Comparison across EU Member States	64	payment ongoing	payment ongoing
			Total	64	246 388	87

³⁹ Final payment as percentage of the awarded grant. A percentage lower than 100% means that the action was not fully implemented or that the beneficiary's managed to achieve some cost savings.

Table 9 - Technical Assistance - Overview of awarded grants and rejected applications in 2017

	MS	Received application number	Request for 90%	Grant requested (EUR)	Awarded grants (Number)	Awarded grants 90% (number)	Grants awarded (EUR)
1	BE	-	-	-	-	-	-
2	BG	1	0	353 059	0	0	0
3	CZ	1	0	246 486	1	0	246 486
4	DK	-	-	-	-	-	-
5	DE	2	1	554 245	1	0	86 534
6	EE	-	-	-	-	-	-
7	IE	1	0	515 058	1	0	515 058
8	EL	3	2	1 201 769	2	0	744 317
9	ES	1	0	842 174	1	0	604 174
10	FR	1	0	113 858	0	0	0
11	HR	-	-	-	-	-	-
12	IT	1	0	480 000	0	0	0
13	CY	-	-	-	-	-	-
14	LV	2	2	984 200	1	0	563 105
15	LT	5	3	2 750 042	4	0	2 268 800
16	LU	-	-	-	-	-	-
17	HU	3	0	1 340 759	0	0	0
18	MT	1	1	1 286 358	0	0	0
19	NL	1	1	520 161	1	0	460 307
20	AT	-	-	-	-	-	-
21	PL	14	2	6 288 302	1	0	465 678
22	PT	2	1	2 212 650	1	0	1 520 000
23	RO	10	1	2 712 012	6	0	1 620 698
24	SI	1	1	538 115	1	0	460 680
25	SK	1	0	331 164	0	0	0
26	FI	1	1	796 855	1	0	655 360
27	SE	-	-	-	-	-	-
28	UK	1	0	261 085	0	0	0
Total		53	16	24 328 351	22	0	10 211 196

Average amount requested: EUR 459 025 (Overall amount requested/number of applications)

Average amount awarded: EUR 464 145 (Overall amount awarded/number of grants)

Table 10 - Training and Conferences 2017 - Overview of awarded grants and rejected applications

	MS	Received application number	Request for 90%	Grant requested (EUR)	Awarded grants (number)	Awarded grants 90% (number)	Grants awarded (EUR)
1	BE	-	-	-	-	-	-
2	BG	4	-	275 368	1	-	52 702
3	CZ	1	-	53 015	1	-	44 378
4	DK	-	-	-	-	-	-
5	DE	1	-	64 303	1	-	55 085
6	EE	1	-	63 193	-	-	0
7	IE	-	-	-	-	-	-
8	EL	-	-	-	-	-	-
9	ES	2	-	268 383	-	-	0
10	FR	1	-	99 829	1	-	93 709
11	HR	1	-	66 439	1	-	66 169
12	IT	7	-	703 620	4	-	325 676
13	CY	1	-	222 902	-	-	0
14	LV	1	-	66 237	-	-	0
15	LT	1	-	67 713	-	-	0
16	LU	-	-	-	-	-	-
17	HU	3	-	165 724	2	-	125 498
18	MT	-	-	-	-	-	-
19	NL	1	-	78 927	0	-	0
20	AT	-	-	-	-	-	-
21	PL	-	-	-	-	-	-
22	PT	-	-	-	-	-	-
23	RO	7	-	575 247	4	-	250 477
24	SI	-	-	-	-	-	-
25	SK	1	-	46 169	-	-	0
26	FI	-	-	-	-	-	-
27	SE	-	-	-	-	-	-
28	UK	-	-	-	-	-	-
		33		2 817 069	15		1 013 694

Average amount requested: EUR 85 365 (Overall amount requested/number of applications)

Average amount awarded: EUR 67 580 (Overall amount awarded/number of grants)

Table 11 - Law Training and Studies 2017 - Overview of awarded grants and rejected applications

	MS	Received applications (Number)	Requests for 90% funding (Number)	Grants requested (EUR)	Awarded grants (Number)	Awarded grants 90% (Number)	Grants awarded (EUR)
1	BE	-	-	-	-	-	-
2	BG	1	0	69 767	0	0	0
3	CZ	1	0	47 751	0	0	0
4	DK	-	-	-	-	-	-
5	DE	2	0	116 929	2	0	116 370
6	EE	-	-	-	-	-	-
7	IE	-	-	-	-	-	-
8	EL	-	-	-	-	-	-
9	ES	1	0	80 683	0	0	0
10	FR	-	-	-	-	-	-
11	HR	-	-	-	-	-	-
12	IT	4	0	262 912	1	0	66 323
13	CY	-	-	-	-	-	-
14	LV	-	-	-	-	-	-
15	LT	-	-	-	-	-	-
16	LU	1	0	83 046	1	0	78 000
17	HU	1	1	88 249	1	0	74 144
18	MT	1	0	66 852	1	0	58 562
19	NL	1	0	40 032	1	0	40 032
20	AT	-	-	-	-	-	-
21	PL	-	-	-	-	-	-
22	PT	-	-	-	-	-	-
23	RO	5	0	501 915	2	0	107 710
24	SI	-	-	-	-	-	-
25	SK	-	-	-	-	-	-
26	FI	-	-	-	-	-	-
25	SE	-	-	-	-	-	-
28	UK	-	-	-	-	-	-
		18		1 358 136	9		541 140

Average amount requested: EUR 75 452 (Overall amount requested/number of applications).

Average amount awarded: EUR 60 195 (Overall amount awarded/number of grants).