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C(2018) 1763 final

ANNEX 1

ANNEX

to the

COMMISSION DECISION

**concerning the adoption of the annual work programme and the financing of the
Hercule III Programme in 2018**

1. INTRODUCTION

This is the fifth¹ annual work programme (AWP) for the implementation of the 2014-2020 Hercule III Programme established by Regulation (EU) No 250/2014² ("Hercule III Regulation"). The Programme aims to promote activities to protect the financial interests of the European Union by providing financial support for actions carried out by the beneficiaries referred to in Article 6 of the Regulation. The AWP is required under Article 11 of the Hercule III Regulation.

2. OBJECTIVES OF THE PROGRAMME

The general objective of the Hercule III Programme is 'to protect the financial interests of the Union, thus enhancing the competitiveness of the Union's economy and ensuring the protection of taxpayers' money'³. More specifically, the objective is 'to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union'⁴. The operational objectives⁵ are:

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

3. ELIGIBLE ACTIONS FOR FUNDING UNDER THE PROGRAMME

The Programme will provide appropriate financial support for three types of actions⁶:

1. technical assistance (section 3.1);
2. training (section 3.2); and
3. other action (section 3.3).

3.1. Technical assistance

The Programme will support technical assistance⁷ to Member States' competent authorities⁸ by means of one or more of the following:

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

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

³ Article 3 of Regulation (EU) No 250/2014 (general objective).

⁴ Article 4 of Regulation (EU) No 250/2014 (specific objective).

⁵ Article 5 of Regulation (EU) No 250/2014 (operational objectives).

⁶ Article 8 of Regulation (EU) No 250/2014 (eligible actions).

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

The conditions for the funding of technical assistance in 2018 are specified in section 6.1.

3.2. Training

This area of action will involve the organisation of targeted specialised training⁹, risk analysis workshops, studies and, where appropriate, conferences, to:

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

The conditions for the funding of training in 2018 are specified in section 6.2.

⁷ Article 8(a)(i)–(vii) of Regulation (EU) No 250/2014.

⁸ The competent authorities are defined in Article 6 of Regulation (EU) No 250/2014.

⁹ Article 8(b)(i)–(vii) of Regulation (EU) No 250/2014.

3.3. Other action¹⁰

The Regulation allows for support to be given to any other action (not covered in sections 3.1 and 3.2) that is necessary for attaining the general, specific and operational objectives set out in section 2. Under the Annual Work Programme 2018, one action is foreseen: the inclusion of questions in the Eurobarometer survey to collect information on the citizen's views and attitudes in relation to smuggling of cigarettes, the consumption of cheap whites and smuggled cigarettes and the actions that are required at Union level to address these problems in an appropriate way.

The conditions for funding of other actions in 2018 are specified in section 6.3.

4. BENEFICIARIES

The bodies eligible to receive grants under the Programme are¹¹:

- (a) national or regional administrations in a participating country¹² which promote the strengthening of action at Union level to protect the Union's financial interests (eligible for technical assistance, training and other actions); and
- (b) research and educational institutes and non-profit-making entities that have been established and operating in a participating country for at least a year and promote the strengthening of action at Union level to protect the Union's financial interests (eligible for training and other actions).

5. IMPLEMENTATION

The Programme will be implemented by means of:

1. Grants, following calls for proposals¹³ (section 5.1);
2. Public procurement contracts following calls for tender¹⁴ (section 5.2);
3. Administrative arrangements to be concluded with the Joint Research Centre (JRC; section 5.3).

The Programme also provides for the reimbursement of costs incurred by representatives from certain non-EU countries participating in training actions such as conferences or seminars¹⁵.

5.1. Grants

In 2018, the Commission (European Anti-Fraud Office, OLAF) will organise calls for proposals for technical assistance and training actions to enable the eligible bodies listed in

¹⁰ Article 8(c) of Regulation (EU) No 250/2014.

¹¹ Article 6 of Regulation (EU) No 250/2014 (bodies eligible for funding).

¹² Article 7 of Regulation (EU) No 250/2014.

¹³ According to the procedures laid down in Title VI (Grants) of the Financial Regulation (FR), Regulation (EU, Euratom) 966/2012 on the financial rules applicable to the general budget of the Union, as amended by Regulation (EU, Euratom) 2015/1929 of 28 October 2015, OJ L 286 of 30 October 2015 and the Rules of Application (RAP): Commission Delegated Regulation (EU) 1268/2012 on the rules of application of Regulation 966/2012, as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015, OJ L 342 of 29 December 2015.

¹⁴ According to the procedures laid down in Title V (Procurement) of the Financial Regulation and the Rules of Application.

¹⁵ The non-EU countries are countries of south-eastern Europe, the Russian Federation, certain countries with which the Union has concluded an agreement for mutual assistance in fraud-related matters (see: https://ec.europa.eu/anti-fraud/about-us/legal-framework/customs_matters_en).

Costs incurred by representatives of international and other relevant organisations may also be reimbursed where their attendance is considered useful for achieving the objectives of the Programme.

section 4 to submit applications for actions that contribute to the achievement of the Programme's objectives.

The eligible actions are described in sections 6.1 (technical assistance) and 6.2 (training).

The co-financing rate for grants will in principle not exceed 80% of eligible costs. It may be increased to a maximum of 90% in exceptional and duly justified cases, as defined in sections 6.1.4 and 6.2.4.

The budget for an action for which a grant is requested must not be lower than a threshold indicated in the specifications accompanying the call for proposals. The indicative thresholds are EUR 100 000 for technical assistance actions (section 6.1, actions 1-4), EUR 50 000 for training actions (section 6.2.1, actions 1 and 2) and EUR 40 000 for other training actions (section 6.2.1, actions 5 and 6).

The Commission will examine each application on the basis of:

(a) *eligibility criteria*: verification of the applicant's eligibility:

- technical assistance applications must be submitted by national or regional administrations, as defined in section 4 (a); and
- training applications must be submitted by national or regional administrations, research and educational institutes and other non-profit making entities, as defined in section 4 (a and b);
- applications must comply with the minimum thresholds set for the budget of the action; and
- applications can only be submitted by using the "Participant Portal" for the electronic submission of applications for grants and for the management of grant agreements¹⁶.

(b) *exclusion criteria*: verification of applicants' compliance with Articles 131, 106(1), 107, 108 and 109 of the Financial Regulation;

(c) *selection criteria*: in accordance with Article 132 of the Financial Regulation and Article 202 of the Rules of Application¹⁷, evaluation of:

- applicants' *operational* (technical, management) *resources* and the *professional skills and qualifications* needed to implement the proposed action successfully; a strong track record of competence and experience in the field, in particular in the type of action proposed; and
- applicants' *financial capacity* to perform the tasks involved (stable and sufficient funding to maintain activity for the duration of the project), as shown by annual (balance and profit-and-loss) accounts for the last financial year for which accounts have been closed and other financial information provided in the application form. (This requirement does not apply to national and regional administrations);

(d) *award criteria*: once applications have been examined on the basis of the above criteria, the proposed action will be assessed on the basis of:

- its added value for the protection of the Union's financial interests;
- its conformity with the Programme's operational objectives (in particular enhancing transnational and multi-disciplinary cooperation as indicated in

¹⁶ <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/index.html>

¹⁷ See footnote 14.

objective (a) as well as the relevance of the issues addressed and complementarity with other Union activities);

- its quality: originality, the accuracy and coherence of the proposed methodology, the organisation of the work, the allocation of resources, the consistency and feasibility of planning and monitoring arrangements, and the appropriateness of the activities; and
- the value for money.

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

5.2. Procurement

The Commission will conclude specific contracts under existing framework contracts for technical assistance, training actions and other actions. The Commission may launch in 2018 a public procurement procedure for a feasibility study to elaborate a methodology to quantify illicit tobacco trade¹⁸. If required, the Commission will launch call for tenders in 2018 for the purchase of access to databases, training activities (including digital forensic training) or technical equipment. The purchased equipment and services will be made available to the Programme's beneficiaries.

5.3. Administrative arrangements

Administrative arrangements will be made with the JRC for:

- the further development and implementation of IT tools needed for risk analyses that are made on the basis of several databases with information on trade flows or container traffic for the benefit of customs in the Member States;
- the (chemical) analysis of samples from tobacco and cigarettes seizures.

6. SUPPORTED ACTIONS IN 2018

6.1. Technical assistance¹⁹

6.1.1. Technical assistance: actions

The Commission will support the following specific technical assistance actions in 2018:

1. The purchase and maintenance of investigation tools and methods used by beneficiaries in the fight against irregularities, fraud and corruption detrimental to the Union's financial interests, in particular the fight against tobacco smuggling and/or counterfeiting. The Union's financial interests cover Union revenues (traditional own resources (ToR) and VAT) and expenditure, in particular under shared management (structural funds, agriculture) and research and technological development activities. The purchase of adapted transport equipment may be included, provided that an applicant clearly demonstrates that this contributes to the achievement of the Programme's objectives. The purchase of equipment for updating existing tools with the latest telecommunication protocols also falls under this action. Specialised training to enable staff to operate these tools is included and will be encouraged. Cross-border

¹⁸ This project may be funded under 2017, as a procurement procedure is on-going)

¹⁹ The use of the term 'technical assistance' in the context of this work programme must be clearly distinguished from its use in Article 186 RAP.

cooperation enabling the exchange of information and best practices, in particular at operational level, will be encouraged as well;

2. The purchase and maintenance of devices for inspecting containers, trucks, railway carriages and vehicles ("detection tools") at the Union's external borders and within the Union. This equipment shall contribute to the strengthening of beneficiaries' operational and technical capacity to detect smuggled and counterfeited goods, in particular cigarettes or tobacco, imported into the Union with the intention of evading VAT, customs duties and/or excise taxes. Under this type of action, the purchase, transport, training, lodging and feeding of animals that are used to detect smuggled and illicit goods on the basis of their scent characteristics is included. Cross-border cooperation enabling the exchange of information and best practices, in particular at operational level, will be encouraged as well;
3. The purchase, maintenance and (cross-border) interconnection of automated systems for the recognition of number-plates (ANPRSs) or container codes for purposes relating to the protection of the Union's financial interests. Requisite specialised training in the operation of such systems is included. Cross-border cooperation enabling the exchange of information to strengthen the fight against irregularities and suspected fraud will be strongly encouraged whilst the applicants shall demonstrate its full compliance with the existing data protection requirements;
4. Beneficiaries' purchases of services²⁰ for the analysis, storage and destruction of seized genuine or counterfeited cigarettes and other counterfeited goods detrimental to the Union's financial interests;
5. The purchase by the Commission of technical equipment needed only occasionally by eligible bodies in the Member States to strengthen their operational capacity in their activities to protect Union revenues and expenditures;
6. The acquisition by the Commission of (access to) databases with information on trade flows, ship movements, cargo manifests, container traffic and company information, as required by beneficiaries for investigations and risk analyses purposes. These databases may also be used by OLAF for investigative purposes; and
7. Services to carry out chemical analyses of samples from tobacco and cigarettes seizures in the Member States (TOBLAB), as well as enhancing and implementing specific statistics and IT tools for data analyses and data-mining, as required to support beneficiaries' fraud risk analyses and the fight against cybercrime where this threatens the Union's financial interests. The risk profiles produced on the basis of these analyses are particularly important for beneficiaries in their fight against customs fraud, cigarette smuggling and the import of illicit, in particular counterfeited, goods. A pilot study will be undertaken to explore and define queries that could be carried out on the data collected by the Commission under different legal instruments, such as the amended Regulation (EC) No 515/97, customs data (TARIC), trade data collected by Eurostat, as well as data purchased by the Commission (including the databases funded under the Hercule III Programme), in order to develop tests that help the Programme's main beneficiaries in their anti-fraud analysis and targeting their controls.

The Commission will not provide support for the purchase of equipment only²¹. The purchase of equipment must be part of an action that contributes to the achievement of the Programme's objectives and could, for example, include training actions for the beneficiary's staff to operate the purchased equipment.

²⁰ Applications can be made for financial support to have seizures destroyed by an external service provider. This is not meant for purchasing equipment for setting up, for example, an incinerator.

²¹ See Article 10(3) of Regulation (EU) No 250/2014: '[t]he purchase of equipment shall not be the sole component of the grant agreement'.

6.1.2. Technical assistance: implementation measures and budget

The Commission will support actions 1 to 4 with grants that will be awarded following a call for proposals to be launched in the first quarter of 2018. For the actions 1 to 4, the Commission will encourage actions that are jointly undertaken by the Programme's beneficiaries in different Member States in order to strengthen cross-border cooperation to fight activities detrimental to the Union's financial interests, such as smuggling of tobacco, cigarettes or VAT-carousels. The indicative available budget for grants for actions 1 to 4 is EUR 9 547 500. The call for proposals will cover all four specific actions: there will be no separate ranking per specific action.

The technical equipment under action 5 may be procured by the Commission by launching a call for tender in the spring of 2018. The indicative budget for this action amounts to EUR 50 000.

For the (access to) databases under action 6, the Commission may:

- purchase by means of specific contracts within framework contracts concluded in 2015 and 2016 by Eurostat for trade and company data, and/or:
- where required, launch a call for tenders in the spring of 2018 to award a framework contract for the provision of information on trade, cargo manifests and/or company data and possibly on other types of information needed by the Programme's beneficiaries in the Member States.

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

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

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

Action 7 will be implemented on the basis of administrative arrangements between the JRC and OLAF for (i) the further development and implementation of the (three-year) AMT project concluded in 2016, (ii) the TOBLAB project that was started in 2015 as well as (iii) the pilot study on data analysis. The arrangements with JRC might include training activities. The Commission will coordinate internally to avoid overlaps between this action and financial support provided under other EU programmes²². The indicative budget for the TOBLAB administrative arrangement is EUR 200 000 and for the pilot study on data analysis it is EUR 350 000.

The overall indicative available budget for action 7 is EUR 550 000.

²² E.g. national customs modernisation investment projects co-funded by European Structural and Investment Funds (ESIFs) and the Neighbourhood Policy Instrument, the EUCARIS network or the ERRU and RESPER systems for ANPRSs.

6.1.3. Technical assistance: expected results

The expected results from the actions described in section 6.1.1 are set out below, together with the indicators enabling them and the added value and effective use of the co-financed technical equipment to be measured²³:

Technical assistance grants: investigation tools (action 1)

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

Technical assistance grants: detection tools (action 2)

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

Technical assistance grants: Automated Number-Plate Recognition System (ANPRS-action 3)

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

Technical assistance grants: support to the destruction of seizures (action 4)

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

Technical assistance: purchase of technical equipment by the Commission (action 5)

The expected results depend on the type of equipment that will be purchased. It will be made available to the Member States subject to the condition that reports on the achievements, for example seizures and prevented losses, will be transmitted in due course to the Commission.

Technical assistance: databases (action 6)

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

Technical assistance: IT-tools for data analysis (action 7)

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

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

²³ Article 4(b) of Regulation (EU) No 250/2014.

only had a short period of time to use the purchased equipment at the moment of submission of the request for final payment, a final implementation report has to be submitted with information on the achievements and the contribution made to the achievement of the Programme's objectives covering a period of operation that ends one year after the closing date of the grant agreement.

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

The Hercule III Regulation allows for the maximum co-financing rate to be raised from 80% to up to 90% in exceptional and duly justified cases, e.g. where Member States are exposed to a high risk in relation to the Union's financial interests²⁴. As regards grants for technical assistance, such actions will have to satisfy at least two of the following criteria:

- take place at an external EU border, especially the EU's eastern border;
- take place at the most vulnerable locations (as regards seizures of cigarettes and tobacco reported by Member States to the Commission)²⁵;
- reflect the results of the Eurobarometer survey²⁶ of citizens' attitudes to counterfeited, smuggled cigarettes and 'cheap whites'; and
- reflect the findings of the annual reports on implementation of Article 325 TFEU on combating fraud (e.g. as regards the number of cases of smuggled cigarettes reported and the estimated traditional own resources involved)²⁷, in particular the identification of the Member States that are vulnerable and most exposed to threats in relation to the Union's financial interests.

6.1.5. Technical assistance: indicative available budget and planning

Publication of the call for proposals for actions 1 to 4 on the Commission's (OLAF) website		March 2018
Deadline for submission of applications [<i>via e-Grant</i>]		May 2018
Indicative date for informing applicants of the outcome of the examination of applications		October 2018
Indicative budget for all technical assistance actions (1-7)		EUR 11 497 500
Indicative budget per type of action	Call for proposals: grants (actions 1–4)	EUR 9 547 500
	Purchase of equipment (action 5)	EUR 50 000
	Databases under procurement (action 6)	EUR 1 350 000
	Tobacco analyses and pilot study (action 7)	EUR 550 000

²⁴ Article 10(4) of Regulation (EU) No 250/2014.

²⁵ COM(2013) 324 final, 6.6.2013.

²⁶ This survey was carried out in November 2015 with funding from the Programme, see: <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/yearFrom/1974/yearTo/2015/surveyKy/2033>.

²⁷ *Statistical evaluation of irregularities reported for 2015 own resources, Cohesion Policy, pre-accession and direct expenditure* (SWD(2016)238 final, 14.7.2016), accompanying the Commission's 2015 report to the European Parliament and the Council on the *Protection of the European Union's financial interests — the fight against fraud*, (COM(2016) 472 final, 14.7.2015).

Maximum rate of co-financing of total eligible costs for grants under actions 1 to 4.	80% (90% in exceptional and duly justified cases)
A second call for proposals may be launched if sufficient budget is available.	

6.2. Training

6.2.1. Training: actions

The training actions will include financial support to training, conferences, seminars, studies, webinars and e-learning activities. In 2018, the following actions will be supported:

1. Targeted specialised training and risk-analysis workshops and, where appropriate, conferences aimed at protecting the Union's financial interests. The training actions are intended to create networks and structural platforms between Member States, candidate countries, other third countries and international public organisations in order to facilitate the exchange of information, experience and best practices among staff employed by the beneficiaries. The information and best practices shall relate to, amongst others, the risks and vulnerabilities the Union's financial interests are exposed to as well as investigation practices and/or prevention activities.
2. Staff exchanges between national and regional administrations (in particular, in neighbouring countries) will be encouraged. These shall contribute to the further development, improvement and update of staff's skills and competences in the protection of the Union's financial interests.
3. High-level conferences and ad hoc training focused on the protection of the Union's financial interests organised by the Commission. In 2018, the Commission intends to organise training courses and conferences for staff of national and regional administrations about the TOBLAB project (see section 6.1) and the Protocol to Eliminate Illicit Trade in Tobacco Products.
4. Digital forensic training sessions to:
 - a. provide and support the organisation of training courses for staff in national and regional administrations, with a view to protecting the Union's financial interests by developing, improving and updating their competence in the area of digital forensics;
 - b. to support the initiation of a quality assurance process and a certification procedure to enable computer forensic experts to develop, improve and update their skills and competences; and
 - c. support a network of digital forensic experts across the Union to promote the exchange of best practices.
5. High-profile research, including studies in comparative law. The topics that could be explored will be elaborated in the specifications of the call for proposals "legal training" and will include at least:
 - a) Cooperation between EU bodies involved in the protection of the Union's financial interests (OLAF, EPPO, Eurojust, Europol);
 - b) Measures to support the new antifraud landscape (with a view to the establishment of the EPPO at EU and national level);
 - c) OLAF investigations, with special reference to the exercise and enforcement of its powers as well as its cooperation with national partners;
 - d) The fight against VAT fraud;

- e) The protection of whistle-blowers and the role of investigative journalism in the area of the protection of the Union's financial interests;
 - f) Requirements to obtain, secure and use digital forensic evidence in administrative and criminal investigations;
 - g) Articulation between different types of actions (e.g. prevention, investigations, recoveries) relevant to the protection of the financial interests of the EU;
 - h) Different types of investigations and sanctions (criminal, administrative, other) and the relationship between them, including the ne bis in idem principle;
 - i) Transparency issues in the area of the protection of the Union's financial interests (e.g. access to beneficial owners).
6. Improvement of cooperation between practitioners and academics, 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. Awareness raising among the judiciary and other branches of the legal profession as regards protecting the Union's financial interests, including the dissemination of scientific knowledge;
7. The Commission's Communication on cigarette smuggling²⁸ underlined the importance of reliable data (to the extent that this is possible when dealing with clandestine activities). The Commission intends to procure a feasibility study on a methodology to measure illicit imports of tobacco from non-EU countries into the EU. Various statistical sources are available, but either (for various reasons) they give an incomplete picture or are not independent. Better data will help Member States and the Commission to refine their policy and investigative agenda²⁹.

6.2.2. Training: Implementation measures and budget

The Commission will support actions 1-2 ("training & conferences") and 5 and 6 ("legal training") with grants that will be awarded following a call for proposals to be launched in the first quarter of 2018. The Commission will encourage actions that are jointly undertaken by the Programme's beneficiaries in different Member States.

The indicative available budget for grants under actions 1 and 2 is EUR 1 000 000. The available budget for grants under actions 5 and 6 is EUR 500 000. The grants will cover a maximum of 80% (90% in exceptional and duly justified cases³⁰) of the eligible costs of the action.

For action 3 ("procured conferences"), the Commission will use the services of a firm specialised in organising events, in particular for approximately 10 events outside Brussels, by concluding specific agreements under an existing framework contract³¹. The total indicative available budget for procured conferences is EUR 1 000 000, among which estimated EUR 300 000 should be dedicated to trainings and conferences about the TOBLAB project and the Protocol to Eliminate Illicit Trade in Tobacco Products.

For action 4 (digital forensic training), the Commission may:

- use the services of a firm specialised in organising training events under an existing framework contract³²; or

²⁸ COM(2013) 324 final, 6.6.2013.

²⁹ to be confirmed (this project may be funded under 2017), procurement procedure is on-going)

³⁰ See section 6.2.4.

³¹ OLAF/2015/D1/057.

³² OLAF/2015/D1/057.

- where justified, in terms of cost-effectiveness, launch a specific call for tenders for the organisation of digital forensic training sessions.

The indicative available budget for digital forensic training will not exceed EUR 1 000 000.

For action 7 (feasibility study illicit tobacco), the Commission may launch a procurement procedure in the spring of 2018 or use an existing framework contract. The indicative budget for this study is EUR 150 000³³.

6.2.3. Training: expected results

The expected results from the actions described in section 6.2.1 are set out below, together with the indicators enabling the measurement of the added value and longer term impacts of the training actions, including training actions for operating and/or using technical equipment that will be purchased with technical assistance grants³⁴:

Training actions: conferences, seminars, training and staff exchanges (actions 1-4):

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

Training actions: studies and networks (actions 5 and 6)

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

Training actions: study illicit tobacco trade (action 7)

In cooperation with DG SANTE, this study should establish a methodology for measuring illicit trade in tobacco products. The first results of this study are only expected for the beginning of 2019.³⁵

Upon submission of the request for final payment, beneficiaries of training grants have to submit a **final technical report** on the basis of a template annexed to the grant agreement, setting out the main results obtained during the action for which the grant was awarded, and reporting on the contribution the event made to the achievement of the Programme's objectives. This report shall include the results of user satisfaction surveys carried out among the participants of the event. In order to assess mid-term results, beneficiaries of training grants have to organise a "**post-event survey**" six months after the event took place. The

³³ To be confirmed (this project may be funded under 2017, procurement procedure is on-going)

³⁴ Article 4(b) of Regulation (EU) No 250/2014.

³⁵ This project may be funded under 2017, as a procurement procedure is on-going.

latter survey shall collect information on the use of the skills and competences acquired during training events as well as the impact of networking activities that could be started or strengthened as the result of the participation to a certain event. These results shall be reported in terms of their contribution to the achievement of the Programme's objectives.

6.2.4. Training: criteria for 90% co-financing

The Hercule III Regulation allows for the maximum co-financing rate to be raised from 80% to up to 90% in exceptional and duly justified cases³⁶. In the area of legal training and studies (actions 5 and 6), these might be actions undertaken by scientific and/or research organisations specifically to promote studies in European criminal law, to support the creation of networks in this area and geared to protecting the Union's financial interests.

6.2.5. Indicative available budget and planning for training

Publication of the call for proposals for actions 1-2 and 5-6 on the Commission's (OLAF) website		March 2018
Deadline for submission of applications [via the e-Grant]		May 2018
Indicative date for informing applicants of the outcome of the examination of applications		October 2018
Indicative budget for all training actions (1-7)		EUR 3 650 000
Indicative budget per type of action	Call for proposals: grants (actions 1-2)	EUR 1 000 000
	Call for proposals: grants (actions 5-6)	EUR 500 000
	Conferences organised by the Commission under procurement (action 3)	EUR 1 000 000
	Digital forensic training (action 4)	EUR 1 000 000
	Illicit tobacco trade study: procurement (action 7 ³⁷)	EUR 150 000
Maximum rate of co-financing of total eligible costs for grants. For actions 5-6, a maximum co-financing rate of 90% could be awarded in exceptional and duly justified cases.		80%
A second call for proposals may be launched if sufficient budget is available.		

6.3. Others

The Programme will support in 2018 one specific action that could not be funded under either "Technical Assistance" or "Training" actions. This action relates to surveying the opinions, attitudes and behaviour of EU citizens in relation to cigarette smuggling, the consumption of

³⁶ Article 10(4) of Regulation (EU) No 250/2014.

³⁷ This project may be funded under 2017, as a procurement procedure is on-going.

smuggled cigarettes and cheap whites and their views on the action that should be undertaken at Union level to address these problems in an appropriate way. The action consists of funding the inclusion of a number of questions on this topic in the Eurobarometer survey that will be launched in 2018. The Commission (DG communication) will procure a contract with a private company in the second half of 2018. The total indicative amount available for this action is: EUR 200 000.

7. SUMMARY TABLE: INDICATIVE AMOUNTS PER TYPE OF ACTION

Actions	EU funding	Indicative available budget (EUR)	Percentage
Technical assistance	Grants: cigarettes and investigation support	9 547 500	
	Procurement: databases	1 350 000	
	Purchase of equipment	50 000	
	IT tools, tobacco analyses and a pilot study	550 000	
Total (min 70%)³⁸		11 497 500	74,9%
Training	Grants: training	1 000 000	
	Procurement: conferences	1 000 000	
	Procurement: forensic computing	1 000 000	
	Grants: legal training and studies	500 000	
	Procurement: Study illicit tobacco trade	150 000	
Total (max 25%)		3 650 000	23,8%
Other (max 5%)	Procurement	200 000	1,3%
Indicative grand total	Grants and procurement	15 347 500	100

³⁸ The percentages correspond to the indicative allocation of funds annexed to Regulation (EU) No 250/2014 and apply to the entire 2014-2020 period. The percentages are rounded to one digit after the point.