



COMMISSION OF THE EUROPEAN COMMUNITIES

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2003/0152 (COD)

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

**establishing a Community action programme to promote activities in the field
of the protection of the Community's financial interests**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Introduction

As the Community's responsibilities and the finances needed to implement them have grown, so the need to protect the Community budget against fraud and other illegal activities has become an increasingly important political priority. The Maastricht Treaty added a specific provision to the EC Treaty on protection of the Community's financial interests which was subsequently strengthened by the Amsterdam Treaty. The present Article 280 of the EC Treaty requires the Community's financial interests to be effective and equivalent throughout the Union, for which the Community and the Member States share responsibility.

In the last fifteen years, the Community and the Member States have redoubled their efforts to combat fraud and all other illegal activities affecting the Community's financial interests. The Community's contribution has included setting up in 1998, UCLAF, the Unit for the Coordination of Fraud Prevention which became the European Anti-Fraud Office (OLAF) in 1999,¹ and adopting a whole package of instruments to protect the Community's financial interests. The instruments are aimed at improving Community and domestic law on prevention and enforcement, strengthening the Commission's monitoring powers and facilitating cooperation between all the authorities involved in the fight against fraud.

In parallel with these efforts, the Community is also subsidising various activities relating to the protection of the Community's financial interests. It has for several years now been providing financial support for the operation of associations set up in different Member States to promote the protection of the Community's financial interests, and a number of studies, conferences and training courses have been financed from the Community budget. These subsidised activities provided the bulk of the preparatory work that enabled the Commission to present its proposal for the establishment of a European Prosecutor for the protection of the Community's financial interests.²

Purpose of the proposal for a decision

The ongoing process of reforming the Commission, and in particular the adoption of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities,³ requires basic instruments to be adopted for a number of grants that were financed to date without being covered by a specific basic instrument.⁴ Of the grants that will in future need to be covered by a basic instrument, there are several that have been made by the Commission to protect the Community's financial interests.

¹ Commission Decision 1999/352 of 28 April 1999 establishing the European Anti-Fraud Office (OLAF), and European Parliament and Council Regulation (EC) No 1073/99 and Council Regulation (Euratom) No 1074/99 of 25 May 1999 concerning investigations conducted by OLAF, all published in OJ L 136, 31.5.1999.

² See Commission communication of 29 September 2000 on the protection of the Community's financial interests: a European Prosecutor (COM(2000)608 final), and the Commission Green Paper of 11 December 2001 on criminal-law protection of the financial interests of the Community and the establishment of a European Prosecutor (COM(2001)715 final).

³ OJ L 248, 16.9.2002, p. 1.

⁴ See Commission communication to the Council and the European Parliament of [...] for further details.

The purpose of this proposal is to establish that basic instrument by setting up a Community action programme for Commission grants in this field. Such grants will obviously still have to respect the primary responsibility of the Member States in this area, as in the past. Community grants are not intended to replace those of Member States but to provide the added value needed to take account of the European dimension to protect the Community's financial interests. Large-scale economic and financial crime calls for a Community approach which takes account of the transnational and multidisciplinary aspects. Such an approach must first ensure the convergence of the aided activities in order to afford an equivalent degree of protection whilst respecting the individual traditions of each Member State.

Legal basis for the proposed decision

The Commission is proposing a decision based on Article 280(4) of the EC Treaty, which authorises the Community legislature to adopt "the necessary measures in the fields of the prevention of and fight against fraud affecting the financial interests of the Community with a view to affording effective and equivalent protection in the Member States". Given its objective and the need to avoid interrupting existing grants, the proposed decision constitutes a necessary measure under Article 280(4) of the EC Treaty and respects the principles of subsidiarity and proportionality.

Main features of the proposed decision

The purpose of the proposed decision is to establish a Community action programme to promote activities in the field of the protection of the Community's financial interests (the programme 'HERCULE'⁵). It covers both grants for specific measures, e.g. studies, conferences or training, and operating grants to bodies operating in this field, such as associations set up to promote the protection of the Community's financial interests.

The recipients of such grants will have to satisfy certain conditions specified in the proposed decision and the annex to it. In particular, they must be located in one of the Member States of the Union or in another European or neighbouring country with which the Community has concluded agreements regarding the Communities' financial interests. This coverage is justified by the need to protect the Community's financial interests beyond the existing Member States where the Union has a close involvement with these other countries, especially in connection with enlargement. Recipients will be selected by means of a call for proposals, subject to the priorities contained in each annual grants programme detailing the general criteria of the Community action programme set up by this proposal for a decision.

It is proposed that the Community action programme cover the period from the beginning of January 2004 to the end of December 2008. The amounts earmarked for the programme are based on the grants made under the European Communities' budget for 2003, which total €3 375 000. To take account of enlargement, which is likely to have the effect of increasing the number of activities and bodies eligible for grants, it is proposed that the average annual amount be set at €4 297 000 a year, which gives total funding of €21 485 000 over five years.

⁵ 'HERCULE' refers notably to the Greek hero known for his extraordinary feats. In performing his twelve labours, he triumphed against enemies that all had thought to be invincible.

Proposal for a

EUROPEAN PARLIAMENT AND COUNCIL DECISION

establishing a Community action programme to promote activities in the field of the protection of the Community's financial interests

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 280 (4) thereof,

Having regard to the proposal from the Commission,⁶

Having regard to the Opinion of the Court of Auditors,⁷

Acting in accordance with the procedure laid down in Article 251 of the Treaty,⁸

Whereas:

- (1) The Community and the Member States have set themselves the objective of countering fraud and any other illegal activities affecting the Community's financial interests. All available means must be deployed to attain that objective, whilst maintaining the current distribution and balance of responsibilities between the national and Community levels.
- (2) Activities and bodies with the purpose of providing better information, carrying out studies and providing training or technical and scientific assistance in the fight against fraud help significantly to protect the Community's financial interests.
- (3) Specific activities in this field should therefore be promoted and bodies engaged in this field should be supported by means of operating grants. Experience has shown the value of providing support at Community level as compared with national promotional activities.
- (4) Support for bodies and activities was provided until 2003 by lines A03600 A03010 (Conferences, congresses and meetings in connection with the activities of the associations of European lawyers for the protection of the financial interests of the Community) and B5-910 (General measures to combat fraud) of the general budget of the European Union.

⁶ OJ C [...], [...], p. [...].

⁷ OJ C [...], [...], p. [...].

⁸ OJ C [...], [...], p. [...].

- (5) Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁹ requires a basic instrument to be provided for existing support measures.
- (6) It is therefore necessary to establish that basic instrument and to rationalise and supplement all existing support measures by adopting this Decision establishing a structured, specific and multidisciplinary Community action programme for a substantial period.
- (7) The programme should cover all Member States and neighbouring countries in view of the importance of providing effective and equivalent protection for the Community's financial interests beyond the Member States alone.
- (8) The support measures should also take account of the particular characteristics of bodies involved in protecting the Community's financial interests.
- (9) This Decision establishes a financial framework for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 33 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure¹⁰.
- (10) The Commission should report to the European Parliament and the Council on the attainment of the programme's objectives.
- (11) This Decision complies with the principles of subsidiarity and proportionality.
- (12) This Decision is without prejudice to grants awarded in the field of protection of the Community's financial interests on the basis of programmes concerning the law-enforcement aspect.

HAVE DECIDED AS FOLLOWS:

Article 1 - [Objective of the programme]

1. This Decision establishes a Community action programme to promote activities in the field of the protection of the financial interests of the Community. The programme shall be known as the "HERCULE" programme.
2. The purpose of the programme shall be to help protect the Community's financial interests by promoting activities and supporting bodies in accordance with the general criteria set out in the Annex and specified in detail in each annual grants programme. It shall take transnational and multidisciplinary aspects into account. It shall focus on aligning the substance of activities so as to ensure effective and equivalent levels of protection on the basis of mutually agreed best practice while also respecting the distinct traditions of each Member State.

⁹ OJ L 248, 16.9.2002, p. 1.

¹⁰ OJ C 172, 18.6.1999, p. 1.

Article 2 - [Access to the programme]

1. To qualify for a Community grant for an activity aimed at protecting the Community's financial interests, applicants must comply with the provisions set out in the Annex. The activity must conform to the principles underlying Community activity in the field of the protection of the Community's financial interests and take account of the specific criteria laid down in the related calls for proposals, in accordance with the priorities set out in the annual grants programme detailing the general criteria set out in the Annex.
2. To qualify for a Community operating grant under the ongoing work programme of a body which pursues an objective of general European interest in the field of the protection of the Community's financial interests, a body must satisfy the general criteria set out in the Annex.

Article 3 - [Participation by countries outside the Community]

In addition to recipients and bodies located in the Member States, participation in the Community action programme shall be open to those located in:

- a) countries which agreed at the Copenhagen summit in 2002 to join the European Union in 2004;
- b) the EFTA/EEA countries, in accordance with the conditions laid down in the EEA Agreement;
- c) Romania and Bulgaria, in accordance with the conditions laid down in the Europe Agreements, in their additional protocols and in the decisions of the respective Association Councils;
- d) Turkey;
- e) the Balkan countries forming part of the stabilisation and association process for countries of south eastern Europe;¹¹
- f) certain countries of the Commonwealth of Independent States.¹²

Article 4 - [Selection of beneficiaries]

1. The bodies to receive grants for activities shall be selected following a call for proposals, in accordance with the priorities set out in the annual grants programme, which details the general criteria referred to in the Annex. Grants awarded for an activity covered by the programme shall meet the general criteria set out in the Annex.

¹¹ Former Yugoslav Republic of Macedonia, Albania, Serbia and Montenegro, Bosnia-Herzegovina and Croatia.

¹² Belarus, Moldavia, Russian Federation and Ukraine.

2. The bodies to receive operating grants shall be selected following a call for proposals. The award of an operating grant on the basis of a beneficiary's ongoing work programme shall meet the general criteria set out in the Annex. On the basis of the call for proposals, the Commission shall draw up a list of the beneficiaries and the amounts approved, in accordance with Article 116 of Regulation (EC, Euratom) No 1605/2002.

Article 5 - [Awarding of the grant]

1. Financial assistance granted for activities may not cover all eligible expenditure. The amount of a grant for an activity awarded under the programme may not exceed 90% of the eligible expenditure of the body for the calendar year for which the grant is intended.
2. The amount of an operating grant awarded under the programme may not exceed 70% of the eligible expenditure of the body for the calendar year for which the grant is awarded.

Pursuant to Article 113(2) of Regulation (EC, Euratom) No 1605/2002, where such operating grants are renewed, they shall be gradually decreased. If a grant is awarded to a body which received an operating grant the preceding year, the percentage of Community co-financing represented by the new grant shall be at least 10 percentage points lower than the Community co-financing percentage represented by the grant in the preceding year.

Article 6 - [Financial provisions]

1. The programme shall start on 1 January 2004 and end on 31 December 2008.
2. The financial framework for the implementation of the programme for the period 2004 to 2008 shall be EUR 21.485 million.
3. The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Article 7 - [Monitoring and evaluation]

By 31 December 2009 at the latest, the Commission shall report to the European Parliament and the Council on the achievement of the objectives of this programme. The report shall be based on the results obtained by the beneficiaries and assess, in particular, their effectiveness in achieving the objectives defined in Article 1 and the Annex.

Article 8 - [Entry into force]

This Decision shall enter into force on the day following its publication in the *Official Journal of the European Union*.

Done at Brussels, [...]

For the European Parliament
The President
[...]

For the Council
The President
[...]

ANNEX

1. ACTIVITIES SUPPORTED

The general objective laid down in Article 1 is to reinforce Community action to prevent fraud affecting the Community's financial interests and to combat such fraud by promoting actions and the operation of bodies engaged in this field.

Activities of bodies which may help to reinforce and increase the effectiveness of Community action, in accordance with Article 2 of the Decision, include the following:

- organisation of seminars and conferences;
- promotion of scientific studies and discussions on Community policies in this field;
- coordination of activities relating to the protection of the Community's financial interests;
- training and awareness;
- dissemination of scientific information on Community action;
- development and supply of specific IT tools;
- technical assistance;
- promoting and expanding the exchange of data.

2. CARRYING OUT THE ACTIVITIES SUPPORTED

The activities carried out by bodies which may receive a Community grant under the programme come under the heading of specific actions aimed at strengthening Community measures to protect financial interests and pursue an objective of general European interest in this field or an objective which is part of the European Union's policy in this area.

In accordance with Article 2 of the Decision, this applies to:

- all national or regional administrations of Member States or countries outside the Union, as defined in Article 3 of this Decision, which promote the action of the Community in the field of the protection of the Community's financial interests;
- all research and education institutes that have had legal personality for at least one year and are established and operating in the Member States or in countries outside the Union, as defined in Article 3 of this Decision, and that promote the strengthening of the Community's action in protecting its financial interests;
- all non-profit-making bodies that have had legal personality for at least one year and are legally established in a Member State or country outside the Union, as defined in Article 3 of this Decision, and that promote the strengthening of Community action to protect the Community's financial interests.

An annual operating grant may be awarded to support implementation of such a body's ongoing programme of work.

3. SELECTION OF BENEFICIARIES

Bodies entitled to receive a grant for the activity or an operating grant under Section 2 of the Annex to this programme will be selected on the basis of calls for proposals.

4. CHARACTERISTICS OF GRANT APPLICATIONS ON WHICH ASSESSMENT IS BASED

Applications for grants for specific activities or, where appropriate, operating grants are assessed in the light of:

- consistency of the proposed activity in relation to the objectives of the programme;
- complementarity of the proposed activity with other assisted activities;
- feasibility of the proposed activity, i.e. the real possibility that it can be carried out using the proposed means;
- the cost-benefit ratio;
- the added value of the proposed activity;
- size of public targeted by the proposed activity;
- transnational and multidisciplinary aspects of the activity;
- geographic scope of the proposed measure.

5. ELIGIBLE EXPENDITURE

Pursuant to Section 2 of this programme, only the expenditure required for the successful implementation of the activity is taken into account when calculating the grant.

6. CHECKS AND AUDITS

- 6.1 The beneficiary of an operating grant must keep available for the Commission all the supporting documents, including the audited financial statement, regarding expenditure incurred during the grant year for a period of five years following the last payment. The beneficiary of a grant must ensure that, where applicable, supporting documents in the possession of partners or members are made available to the Commission.
- 6.2 The Commission may have an audit of the use made of the grant carried out either directly by its own staff or by any other qualified outside body of its choice. Such audits may be carried out throughout the lifetime of the agreement and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

- 6.3 Commission staff and outside personnel authorised by the Commission have appropriate right of access to sites and premises where the action is carried out and to all the information, including information in electronic format, needed in order to conduct such audits.
- 6.4 The Court of Auditors and the European Anti-Fraud Office (OLAF) must enjoy the same rights, especially of access, as the Commission.
- 6.5 Furthermore, in order to protect the European Community's financial interests against fraud and other irregularities, the Commission may carry out on-the-spot checks and inspections under this programme in accordance with Council Regulation (Euratom, EC) No 2185/96.¹³ Where necessary, investigations must be conducted by the European Anti-Fraud Office (OLAF) and governed by European Parliament and Council Regulation (EC) No 1073/1999.¹⁴

7. MANAGEMENT OF THE PROGRAMME

On the basis of a cost-effectiveness analysis, the Commission may decide to entrust all or some of the tasks of managing the programme to an executive agency, in accordance with Article 55 of the Financial Regulation applicable to the general budget of the European Communities; it may also employ experts and incur any other expenditure on technical and administrative assistance not involving public authority tasks outsourced under ad hoc service contracts. It may also finance studies and organise meetings of experts to facilitate the implementation of the programme, and take information, publication and dissemination measures directly linked to fulfilling the objectives of the programme.

¹³ OJ L 292, 15.11.1996, p. 2.

¹⁴ OJ L 136, 31.5.1999, p. 1.

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): FIGHT AGAINST FRAUD

Activit(y/ies): PROMOTING THE PROTECTION OF THE COMMUNITIES' FINANCIAL INTERESTS

TITLE OF ACTION:

PROMOTION OF ACTIVITIES IN THE FIELD OF THE PROTECTION OF THE COMMUNITY'S FINANCIAL INTERESTS

1. BUDGET LINE(S) + HEADING(S)

Nomenclature:

24.02.04 (ex COM A03600 A03010 in 2003) Support for the activities of the associations of European lawyers for the protection of the financial interests of the Community.

24.02.05 (ex B5-910 in part in 2003) Co-financed general measures to combat fraud.

2. OVERALL FIGURES

2.1. Total allocation for action (Part B): €21.485 million for commitment

2.2. Period of application:

2004-08

2.3. Overall multiannual estimate of expenditure:

As regards heading 3:

(a) Schedule of commitment appropriations/payment appropriations (financial intervention) (see point 6.1.1)

€ million (to three decimal places)

	2004	2005	2006	2007	2008	2009 and subs. years	Total
Commitments	3.660	3.8	3.9	4.0	4.150		19.51
Payments	3	3.5	4	4	4.5	0.51	19.51

(b) Technical and administrative assistance and support expenditure (see point 6.1.2)

Commitments							
Payments							
Subtotal a+b							
Commitments	3.660	3.8	3.9	4.0	4.150		19.51
Payments	3	3.5	4	4	4.5	0.51	19.51

As regards heading 5:

€ million (to three decimal places)

	2004	2005	2006	2007	2008	2009 and subs. years	Total
Commitments	0.375	0.385	0.395	0.405	0.415		1.975
Payments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

(c) Overall financial impact of human resources and other administrative expenditure (see points 7.2 and 7.3)

Commitments/ payments							

Human resources deployed are existing resources (2 A, 4 B, 3 C)

TOTAL a+b+c							
Commitments	3.660	3.8	3.9	4.0	4.150		19.51
Payments	3	3.5	4	4	4.5	0.51	19.51
Non-diff. (heading 5)	0.375	0.385	0.395	0.405	0.415		1.975

2.4. Compatibility with financial programming and financial perspective

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement.

2.5. Financial impact on revenue

- Proposal has no financial implications (involves technical aspects regarding implementation of a measure).

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Non-comp	Diff	YES	NO	NO	3
Non-comp	Non-diff	YES	NO	NO	5

Note: The action is new in this form. However, it follows on from Community measures that have existed in a different form for several years and is intended to provide a legal basis for these measures. It relates to the old budget lines COM-A03600 A03010 (heading PF 5) and B5-910 (heading PF 3).

4. LEGAL BASIS

Proposal for a Decision of the European Parliament and of the Council adopted by the Commission on

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention ¹⁵

5.1.1. Objectives pursued

As the Community's responsibilities and the finances needed to implement them have grown, the need to protect the Community budget against fraud and other illegal activities has become a priority. The Maastricht Treaty added a specific provision to the EC Treaty on protection of the Community's financial interests which was subsequently strengthened by the Amsterdam Treaty. The present Article 280 of the EC Treaty requires the Community's financial interests to be effective and equivalent throughout the Union, for which the Community and the Member States share responsibility.

This led to the creation of budget lines COM- A03600 A03010 and B5-910 of the general budget of the European Communities for 2003 and previous years. Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities requires the adoption of a Community action programme for the awarding of grants by the Commission in this field.

The grants will obviously still have to respect the primary responsibility of the Member States in this area, as in the past. Community grants are not intended to replace those of Member States but to provide the added value needed to take account of the European dimension to protect the Community's financial interests. Large-scale economic and financial crime calls for a Community approach which takes account of the transnational and multidisciplinary aspects. Such an approach must first ensure the convergence of the aided activities in order to afford an equivalent degree of protection whilst respecting the individual traditions of each Member State concerned by this Community action.

¹⁵ For further information, see separate explanatory note.

5.1.2. *Measures taken in connection with ex ante evaluation*

This proposal is primarily intended to satisfy the technical need to provide a legal basis for grants traditionally awarded in this field in part A of the budget.

5.2. **Action envisaged and budget intervention arrangements**

The general objective of the proposal is to increase and improve the protection of the Community's financial interests.

This objective is to be achieved by means of action taken by administrations or bodies which can help to reinforce and increase the effectiveness of Community action to protect the Community's financial interests by improving and ensuring an equivalent degree of protection whilst respecting the individual traditions of each Member State concerned by this Community action.

The target population(s) (specify number of beneficiaries if possible):

- All national or regional administrations of Member States or countries outside the Union, as defined in Article 3 of this Decision, which promote the action of the Community in the field of the protection of the Community's financial interests;
- All research and education institutes established and operating in the Member States or in countries outside the Union, as defined in Article 3 of this Decision, that promote the Community's action to protect its financial interests.
- All non-profit making bodies that have a legal personality and are legally established in a Member State or country outside the Union, as defined in Article 3 of this Decision, and that promote the strengthening of Community action to protect the Community's financial interests;

The specific objectives set for the programming period are as follows:

- to encourage the dissemination of knowledge about the protection of the Community's financial interests;
- to encourage research;
- to improve training and awareness-raising;
- to encourage the coordination of activities;
- to expand the exchange of data;
- to support technical assistance.

Practical measures to be taken to implement the action.

The objectives of the Community action will be achieved by supporting bodies that promote the protection of the Community's financial interests.

Immediate outputs of each action.

The immediate outputs will be the measures taken by the beneficiaries within the framework of the annual work programme, including the organisation of conferences, studies, etc.

Contribution of these outputs to the expected outcomes in terms of satisfying needs or solving problems.

The main outcome will be the strengthening of protection of the Community's financial interests in the Member States and the countries covered by the proposal.

5.3. Methods of implementation

Direct management by the Commission (OLAF).

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

6.1.1. Financial intervention

Commitments (in € million to three decimal places)

Breakdown	2004	2005	2006	2007	2008		Total
Action 1 (heading PF 5)	0.375	0.385	0.395	0.405	0.415		1.975
Action 2 (heading PF 3)	3.660 ¹⁶	3.800	3.900	4.000	4.150		19.510
etc.							
TOTAL	4.035	4.185	4.295	4.405	4.565		21.485

6.1.2 Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)

	2004	2005	2006				Total
1) Technical and administrative assistance:							
a) Technical assistance offices:							
b) Other technical and administrative assistance: - intra-muros: - extra-muros: <i>of which for construction and maintenance of computerised management systems:</i>							
Subtotal 1							

¹⁶ Amount for EUR15 = €3.210 million; amount for EUR10 = €0.450 million.

2) Support expenditure:							
a) Studies							
b) Meetings of experts							
c) Information and publications							
Subtotal 2							
TOTAL							

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)¹⁷

Commitments (in € million to three decimal places)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)
<u>Action 1</u> - Measure 1 - Measure 2 <u>Action 2</u> - Measure 1 - Measure 2 - Measure 3 etc.				
COÛT TOTAL				

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

Types of post	Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
	Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A B C	2 A 4 B 3 C		
Other human resources				
Total		9 people		

¹⁷ For further information, see separate explanatory note.

7.2. Overall financial impact of human resources

Type of human resources	Amount (€)	Method of calculation *
Officials		
Temporary staff		
Other human resources (specify budget line)		
Total		

The amounts are total expenditure for twelve months.

7.3. Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount €	Method of calculation
Overall allocation (Title A7)		
A0701 – Missions		
A07030 – Meetings		
A07031 – Compulsory committees ⁽¹⁾		
A07032 – Non-compulsory committees ⁽¹⁾		
A07040 – Conferences		
A0705 – Studies and consultations		
Other expenditure (specify)		
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total		

The amounts are total expenditure for twelve months.

⁽¹⁾ Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	
II.	Duration of action	5 years
III.	Total cost of action (I x II)	€21.485 million

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

By 31 December 2009 at the latest, the Commission will report to the European Parliament and the Council on the achievement of the objectives of this programme. The report will be based on the results obtained by the beneficiaries and assess, in particular, their effectiveness in achieving the objectives defined in Article 1 and the Annex.

8.2. Arrangements and schedule for the planned evaluation

Evaluation will be conducted on an annual basis. The final payment will be subject to approval of the financial report and the activity report presented by the organisations entitled to the grant.

The evaluation will examine the relevance, effectiveness and cost effectiveness of the actions carried out in relation to the objectives set out in Article 1 of this Decision. It will also examine the impact of the programme as a whole.

The evaluation will also examine the complementarity between action under the programme and that pursued under other relevant Community policies, instruments and actions.

9. ANTI-FRAUD MEASURES

In order to protect the European Community's financial interests against fraud and other irregularities, the Commission may carry out on-the-spot checks and inspections under this programme in accordance with Council Regulation (Euratom, EC) No 2185/96.¹⁸ Where necessary, investigations are conducted by the European Anti-Fraud Office (OLAF) and governed by European Parliament and Council Regulation (EC) No 1073/1999.¹⁹

The beneficiary of an operating grant must keep available for the Commission all the supporting documents, including the audited financial statement, regarding expenditure incurred during the grant year for a period of five years following the last payment. The beneficiary of a grant must ensure that, where applicable, supporting documents in the possession of partners or members are made available to the Commission.

The Commission will carry out regular documentary and on-the-spot checks.

¹⁸ OJ L 292, 15.11.1996, p. 2.

¹⁹ OJ L 136 du 31.5.1999, p. 1.