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Interim evaluation under Regulation (EU) 2021/785 of the European Parliament and of the Council of 29 April 2021 establishing the Union Anti-Fraud Programme and repealing Regulation (EU) No 250/2014

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Glossary

Term or acronym	*Meaning or definition*
ACAs	Administrative cooperation arrangements (agreements)
AES	Automated Export System
AFIS	The Anti-Fraud Information System
AMIF	The Asylum, Migration and Integration Fund
B2B	Business-to-business
BMVI	Border Management and Visa Instrument
CF	Cohesion Fund
CIRCABC	Communication and Information Resource Centre for Administrations, Businesses and Citizens
CIS	Customs Information System
COM	The European Commission
CONT	Committee on Budgetary Control (European Parliament)
CPR	Common Provisions Regulation
CSM	Container status messages
DG AGRI	Directorate-General for Agriculture and Rural Development
DG BUDG	Directorate-General for Budget
DG COMP	Directorate-General for Competition
DG HOME	Directorate-General for Migration and Home Affairs
DG NEAR	European Neighbourhood Policy and Enlargement Negotiations
DG TAXUD	Directorate-General for Taxation and Customs Union
EC	The European Commission
ECA	The European Court of Auditors
EDES	Early Detection and Exclusion System
EDPB	European Data Protection Board

EDPS	European Data Protection Supervisor
EMAC	Expert group on mutual assistance in customs matters
ENP	European Neighbourhood Policy
EP	The European Parliament
EPPO	The European Public Prosecutor's Office
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	The European Union
FEAD	European Aid to the Most Deprived
FIDE	Customs Investigation Files Identification Database
GDPR	General Data Protection Regulation (Reg. (EU) 2016/679)
IACS	Integrated Administration and Control System
IET	Import, Export and Transit directory
IMS	Irregularity Management System
IPA	Instrument for Pre-Accession Assistance
ISF	Internal Security Fund
JCO	Joint Customs Operations
JRC	The European Commission's Joint Research Centre
KPI	Key performance indicator(s)
MA	Mutual assistance
MAA	Mutual administrative assistance
MFF	Multiannual financial framework
MS	Member State(s)
VAT	Value added tax

1. INTRODUCTION

This staff working document (SWD) on the interim evaluation of the Union anti-fraud programme (UAFP)[1] describes the achievements of the programme between early 2021 and early 2024, presents the findings, based primarily on an external study[2], and suggestions as to the further implementation for the rest of the programme implementation period (2024-2027).

The UAFP, the successor to the Hercule III programme (2014-2020)[3], was established by the adoption of Regulation (EU) 2021/785 on 29 April 2021 ('the UAFP Regulation'), which entered into force retroactively on 1 January 2021, following the adoption in December 2020[4] of the 2021-2027 7-year EU budget (multiannual financial framework or MFF).

The UAFP, managed by the European Commission (through the European Anti-Fraud Office, OLAF) provides financial support to Member States' law enforcement services and to academic and non-profit organisations to help protect the EU's financial interests, i.e. keeping the EU budget safe from irregularities, fraud or any other illegal activities.

The programme also finances the operational management and development of OLAF's IT tool IMS (Irregularity Management System, the second component of the programme). This tool is used by Member States, participating countries, candidate countries and other beneficiaries of EU funding to report irregularities, confirmed fraud or suspected fraud related to European funding under shared and indirect management.

The third component finances the activities tasked to the Commission under Regulation (EC) No 515/97[5] ('Council Regulation 515/97') by means of a technical IT support platform, managed by OLAF, including the development of the AFIS (Anti-Fraud Information System). Member States' law enforcement services and customs services use this technology platform, which consists of a set of applications operated under a common information system managed by the Commission, to exchange information and data.

Council Regulation 515/97 provides that the Union is to support 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 agricultural matters.

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[1] Regulation (EU) 2021/785 of the European Parliament and of the Council of 29 April 2021 establishing the Union Anti-Fraud Programme and repealing Regulation (EU) No 250/2014 (OJ L 172, 17.5.2021, p. 110–122), ELI: http://data.europa.eu/eli/reg/2021/785/oj.

[2] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

[3] Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC, (OJ L 84, 20.3.2014, p. 6).

[4] Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

[5] Council Regulation (EC) No 515/97 of 13 March 1997 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 agricultural matters (OJ L 082 22.3.1997, p. 1).

That support is provided to a number of operational activities as described in Annex I of the UAFP Regulation.

The UAFP is set to run for the MFF from the beginning of 2021 to the end of 2027.

1.1. Purpose of the evaluation

The purpose of this interim evaluation of the UAFP has three aspects.

First, the Commission has to comply with a **legal obligation**. Article 13(2) of the UAFP Regulation provides that:

'*The interim evaluation of the programme shall be performed once there is sufficient information available about the implementation of the programme, but no later than four years after the start of the implementation of the programme.*'

Therefore, under Article 13(4) of the same Regulation, the Commission '*shall communicate the conclusions of the evaluation, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and to the European Court of Auditors*' by **31 December 2024 at the latest**.

Second, this evaluation should provide an overview of how the programme has worked so far, its achievements as well as its **shortcomings** in order to identify areas on which efforts can focus to **improve** implementation for the remaining period.

The last and third aspect relates to providing a basis for a potential **impact assessment** of the future programme for the next programming period, starting in 2028.

This evaluation assesses the programme's effectiveness (including the sustainability/durability of certain actions in the longer term), its efficiency, the coherence (both internal and external), the relevance of the programme's aim and objectives, and the added value at EU level. As this assessment had to be conducted for each of the three components of the programme and given their different characteristics, this SWD has turned out lengthier than expected.

1.2. The scope of the evaluation

The **scope** of the interim evaluation has been limited since only some activities and projects, funded by the programme since 2021, have been fully implemented and finalised (i.e. paid) within the timeframe set for the evaluation (early 2021 to early 2024).

In order to comply with the deadline of 31 December 2024 for the adoption and transmission of this report from the Commission to the other EU institutions, the external study supporting the Commission with this interim evaluation mainly covers the period between 1 January 2021 and 31 January 2024.

The first projects granted through the programme effectively started from early to mid-2022, following the time needed for the administrative procedure to receive, select, evaluate and award those projects. As most of the activities granted have a duration of between 18 to 24 months,

those contracts that started in 2022 ran (or will run), at least, until the end of 2023 or throughout 2024 and 2025. The impact of COVID-19 also meant that many of the grant contracts' duration was extended.

For this reason, only the results and outcomes of a reduced number of finalised activities could be evaluated, addressing the main questions in relation to the evaluation criteria:

- the relevance of the programme: does it make a difference and does it provide funding beyond the level of support that Member States can provide themselves?
- the effectiveness of the programme's activities: can we measure an effect or an impact?
- the efficient use of human and financial resources: what are the costs and benefits for users? is it (still) worth funding this programme?
- is there internal consistency (coherence) of the programme's activities, as well as external coherence with other similar EU funding programmes active in the field of fighting fraud, corruption or any other illegal activities?
- what is the EU added value of the programme? I.e. value that is additional to what would otherwise have been created solely by Member States acting on their own.

The sustainability of certain measures over the longer term will be considered under the 'effectiveness' criterion (durability of equipment or tools beyond the contractual period).

1.3. The methodology

The methodology applied to this evaluation is described in Annex II. This staff working document is mainly based on the external study by the contractor ICF S.A. Belgium (ICF)[6], which has been based on recognised evaluation techniques, including cross-checking methods. The study report explains the rationale for the action at the time it was prepared and adopted, i.e. identifying the problems or the needs the EU was trying to address and its underlying causes, what the programme expected to achieve and how that achievement was to be assessed[7].

In the inception phase of the external study, the scope was adapted in agreement between the Commission (OLAF) and ICF. The main amendments, compared to the initial proposal by ICF before the contract started, included an analysis of each of the three components of the programme, their budgets, objectives, themes and priorities and a short overview of the annual call(s) for applications and the grant data.

This evaluation has also drawn, where possible, on the following sources:

- the 2018 ***ex ante*** **evaluation report** in preparation of the UAFP Regulation[8];

[6] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

[7] Based on the intervention logic of the programme, see Chapters 2.1.1.2 and 3.1.

[8] An *ex ante* evaluation was performed in connection with the upcoming UAFP, in line with, at the time, Article 30(4) of Regulation (EU, Euratom) No 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 and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1–96). The evaluation was presented in the form of a staff

- the **explanatory memorandum** and the **preamble** of the final text of the UAFP Regulation.

The evaluation includes:

- the **points of comparison** against which the intervention has been assessed;
- wherever possible, a reference to one or more of the 17 UN **Sustainable Development Goals**[9] (SDGs) that the intervention is considered to address or support;
- case studies: The purpose of the case studies was to conduct a thorough examination of the main themes of the evaluation. The introduction of Regulation 2021/785 has brought about notable themes and innovations regarding the primary focus and structure of the UAFP. As the programme is still being implemented and many actions are ongoing, the main emphasis of the case studies was to assess progress in achieving the strategic direction outlined for the programme, rather than evaluating longer-term impacts and outcomes.

  By taking this mid-term perspective on their design, the case studies offer a comprehensive understanding of whether the programme is advancing towards its objectives, allowing for adjustments if necessary for the remainder of the programme.

  The four case studies[10] covered the following topics:
  - Case study 1: investigative capacity
  - Case study 2: digitalisation, AI, data analytics
  - Case study 3: transnational cooperation and exchange of information
  - Case study 4: training.

  The **results of the case studies** have been incorporated into this document[11].

This evaluation complies with the principles outlined in the Commission's Better Regulation Guidelines[12], which were adopted in May 2015[13] and updated on 3 November 2021[14];

The study and this evaluation cover:

- geographically, as does the programme, **all 27 Member States**, including one non-EU country (third country) for which an association agreement to the programme has become

working document (SWD(2018) 294, 30.5.2018), https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0294.

[9] https://sdgs.un.org/goals

[10] Full details of the four case studies are available in Annex 3 of the study report by ICF: see footnote 11.

[11] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

[12] Commission Staff Working Document – Better Regulation Guidelines (SWD(2021) 305), 3.11.2021.

[13] COM(2015) 215, 19.5.2015, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52015DC0215.

[14] Available at: https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en

applicable retroactively on **1 January 2023**, the **association agreement with Ukraine**, signed on 20 March 2024[15].

- Where applicable, data relating to (reporting by) the United Kingdom[16] has been included in this SWD where appropriate.
- all adopted Commission Implementing Decisions on the annual work programmes (AWPs) within the scope (2021-2024). The Decisions concern the annual financing of the programme adopted, including (as an Annex to the Decision) the AWP, which details the allocated budget, the eligible bodies and activities for funding in a particular year, and the criteria for measuring the potential impact of the programme.

2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

2.1. The programme and its rationale, its objectives, its components and their rationale

2.1.1 The programme and its rationale

Fraud and related illegal activities, such as corruption, money laundering and illicit trade, pose a serious problem to the EU and Member States as such activities are liable to undermine both the EU's economy and national economies.

This problem is all the more pressing now that the EU's total spending has grown to an unprecedented amount of around EUR 1.8 trillion, as established by the EU's 2021-2027 multi-annual budget, that is, if one includes the Recovery and Resilience Facility (RRF)[17], created in 2021 in response to the financial and economic impact of the COVID-19 pandemic. This is a record level of funding, and there are inevitable risks as to whether all funds will reach their intended purpose.

Efficient and proper spending of the EU's budget, also in Member States, is key to maintaining the public and taxpayers' trust and to boosting the strength and added value of European integration. Conversely, a high prevalence of fraud can stifle economic growth and undermine the broader economic recovery and fair competition. Reinforcing joint defences against fraud is therefore crucial in strengthening the EU's resilience.

Article 325 of the **Treaty on the Functioning of the European Union** (TFEU) provides for a shared obligation of the EU and Member States to protect the EU's financial interests. Past experience shows that the EU's financial interests are impacted by illegal activities, such as fraud and illicit trade, and by financial and other irregularities. Every year, the 'Annual Report on the

[15] https://anti-fraud.ec.europa.eu/media-corner/news/ukraine-formalises-participation-union-anti-fraud-programme-2024-03-21_en

[16] The Withdrawal Agreement entered into force on 1 February 2020, after having been agreed on 17 October 2019.

[17] Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 057 18.2.2021, p. 17). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02021R0241-20230301

protection of the EU's financial interests'[18] ('PIF Report') demonstrates that the level of such irregularities, including fraud, although fluctuating, **requires continuous action** on the EU's part.

In addition, the current MFF was drawn up against the background of significant changes in 2017 to the legislative and institutional framework for the protection of the EU's financial interests, in particular the creation of the **European Public Prosecutor's Office** (EPPO)[19] and the implementation of Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the **fight against fraud to the Union's financial interests by means of criminal law** (the 'PIF Directive')[20].

The EPPO was set up to conduct criminal investigations and prosecutions, until cases are disposed of, in respect of crimes affecting the EU's financial interests. The crimes falling within the material competence of the EPPO are set out in the PIF Directive[21].

In more recent years, at EU level, the anti-fraud landscape has undergone major changes with, for instance, the operational start of the EPPO on 1 June 2021 and the recent **revision of Regulation N° 883/2013[22] ('the OLAF Regulation')**, strengthening the effectiveness of administrative investigations carried out by OLAF.

The UAFP's predecessor, the Hercule III programme (2014-2020), also had the general objective of protecting the EU's financial interests to strengthen the competitiveness of the economy and protect taxpayers' money. The specific objective was to prevent and combat fraud, corruption and any other illegal activities affecting the EU's financial interests. Action to protect the financial interests covered the whole expenditure side of the EU budget.

On the revenue side, action focused on the traditional own resources of the EU. **Article 33 TFEU** provides for strengthening customs cooperation among Member States and between Member States and the Commission.

[18] All PIF reports are accessible via the website of the Commission: https://ec.europa.eu/anti-fraud/about-us/reports/communities-reports_en

[19] Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO').

[20] Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

[21] Article 4 of the EPPO Regulation: The EPPO shall be responsible for investigating, prosecuting and bringing to judgment the perpetrators of, and accomplices to, criminal offences affecting the financial interests of the Union which are provided for in Directive (EU) 2017/1371 and determined by this Regulation. In that respect the EPPO shall undertake investigations, and carry out acts of prosecution and exercise the functions of prosecutor in the competent courts of the Member States, until the case has been finally disposed of.

[22] Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (O J L 248, 18.9.2013, p. 1).

Implementation of the EU multi-annual budget has been accompanied by the following set of **measures** to help Member States prevent and fight fraud affecting the financial interests of the EU, supporting mutual assistance in customs and agriculture matters.

(a) The **Hercule III programme (2014-2020)**, supporting activities against fraud, corruption and any other illegal activities affecting the financial interests of the EU, now replaced by the UAFP. The UAFP Regulation covers the funding and implementation of the **Hercule** component (technical assistance, training and procured activities), the **Anti-Fraud Information System (AFIS)** and the **Irregularity Management System (IMS).**

(b) The **Anti-Fraud Information System (AFIS)** is an operational activity consisting essentially of a set of customs IT applications, running under a common information system, managed by the Commission (OLAF). It was set up to perform the tasks of protecting the financial interests of the EU, as entrusted to the Commission under **Council Regulation 515/97**, including the AFIS (Anti-Fraud Information System) to support 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 agricultural matters;

and,

(c) The **Irregularity Management System (IMS)** is a secure electronic communication tool that facilitates Member States' obligation to report detected irregularities, including suspected or confirmed fraud cases, and supports the management and analysis of these cases and their related data.

Although it is difficult to quantify these measures' financial impact, they have contributed to recovering large amounts of diverted money back to the EU budget. For example, Hercule III funded the development of the Automated Monitoring Tool (AMT), an IT tool that identifies anomalies in trade flows. It was used in several customs operations and was instrumental in identifying large undervaluation fraud schemes in the import of textile and footwear from non-EU countries.

From a budget implementation perspective, the IMS is an operational activity. The Commission is tasked with the IMS activity under sectoral legislation. The IMS needs to be maintained and developed sufficiently to allow Member States to comply with their reporting obligations. It also provides the Commission with the necessary data to analyse the main achievements in detecting and reporting irregularities, including fraud, relating to the EU's budget in shared management and pre-accession areas.

The financial support provided to the IMS, the AFIS, from a budget implementation perspective, is also an anti-fraud operational activity. In particular, where activities developed under the AFIS string of the programme, aim at tackling the increasing sophistication of criminal groups and new **challenges** arising in the fight against fraud, including from technological developments, there is still a real **need for** strenghtening the **mutual administrative assistance** activities between customs authorities and cooperation with the Commission.

2.1.2 The programme's general and specific objectives – context

The conclusions of the final evaluation of the Hercule III programme[23] and the **challenges** posed by the increased EU expenditure brought some adjustments to the approach adopted previously. This was reflected in the Regulation setting up the UAFP in 2021.

In particular, the programme now focuses more on the expenditure side of the budget, taking into account the new forms of EU expenditure, introduced by the MFF and RRF Regulations. It also puts an **emphasis on new trends in crime**, including cybercrime, reflected in the **priorities** set out in the AWPs of the programme.

The programme is **objective-driven**: every action it supports **has to refer to the objectives** outlined in the Regulation and in the AWP.

Due to the parallel adoption of the Customs Control Equipment Instrument (CCEI)[24], managed by DG TAXUD in the Commission, focusing on providing financial support to customs services, consideration is given to targeting UAFP support to purchasing types of equipment that are not covered by the instrument.

Within this **context**, Article 2 of the UAFP Regulation describes the **general and specific objectives** of the Union anti-fraud programme, as presented in the table hereafter.

Table 1: The general and specific programme objectives

Type of objectives	Objectives
General objectives	- Protect the Union's financial interests. - Support mutual assistance between the administrative authorities of the Member States and cooperation between Member States and the Commission to ensure the correct application of the law on customs and agricultural matters.
Specific objectives	- Prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the EU. - Provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural

[23] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

[24] Regulation (EU) 2021/1077 establishing a Customs Control Equipment Instrument as part of the Integrated Border Management Fund, for the period 2021-2027 (OJ L 234 of 2.7.2021, p. 1).

	matters. - Support the reporting of irregularities, including fraud, with regard to the shared management funds and pre-accession assistance funds of the EU budget.

The **main beneficiaries** of the programme are the Member States' authorities involved in the fight against fraud although the programme also provides for the participation of non-EU countries (Ukraine, e.g.) under certain conditions as explained in more detail in Chapter 3.2.4.6.

2.1.2.1 *The Hercule programmes (I-II-III)*

In 2004, the Hercule programme was set up by Decision No 804/2004/EC of the European Parliament and of the Council. It was amended and extended by Decision No 878/2007/EC of the European Parliament and of the Council (the 'Hercule II programme'). This has made it possible for the **past 20 years** to promote and improve the activities carried out by the EU and Member States to counter fraud, corruption and any other illegal activities affecting the EU's financial interests.

Although tangible progress has been achieved over these last two decades through the first Hercule programme (2004-2007), the Hercule II programme (2007-2013) and the Hercule III programme (2014-2020), the **level** of protection of the EU's financial interests among Member States remains **uneven**.

This differentiation can be influenced by various factors. These include: (i) **different** enforcement and/or government **priorities**; (ii) different technical **capacities** (the UAFP might not be the only programme/funding tool the Member State is working with); (iii) a different level of PIF **awareness** in the Member State; (iv) the **geographical location** in Europe (especially on the revenue side); (v) the **size** and wealth of the Member State in question and the related resources they allocate or wish to allocate to law enforcement and justice administrations; and (vi) countries' **differing levels of fraud and corruption**.

The Hercule III programme ended on 31 December 2020. The programme provided protection by financially supporting national and regional administrations, 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', including comparative research and scientific publications on fraud-related topics.

The total budget for Hercule III amounted to EUR 104.9 million over 2014-2020 (UAFP 2021-2027: EUR 181.2 million or 72.7% more). The programme was implemented on the basis of annual cycles that carried out the AWPs.

The 2018 mid-term evaluation of the Hercule III programme found that, like the final report of the Hercule II programme, stakeholders almost unanimously recognised the **added value** of the

programme and its essential contribution to **generating benefits**[25]**.** More specifically, the programme's added value was principally seen as acting as an **enabler for cross-border cooperation, cross-border exchanges of information and the sharing of best practices,** including on cybercrime.

The Commission submitted in December 2021 the 'Report from the Commission to the European Parliament and to the Council'[26], with an accompanying staff working document, on the final evaluation of the Hercule III programme and its merits with regard to relevance, efficiency, effectiveness, coherence, added value and durability (sustainability).

This Commission report was supported by a study by an external contractor (Ramboll (Belgium) S.A.), providing the necessary elements to submit conclusions and recommendations to the legislators[27].

The **conclusions of both the mid-term and final evaluations of the Hercule III programme** found that the programme was **successful in meeting its objectives** and **providing EU added value**, contributing to the general objective of the programme.

Hercule III was seen as **highly relevant** in addressing the main problems faced by stakeholders because it complemented the work carried out by Member States. The stakeholders consulted indicated a high level of satisfaction with the programme.

The final evaluation of the Hercule III programme[28] confirmed the success of the programme and concluded that the programme had been **effective**. The technical assistance measures (such as financing the purchase of scanners to detect smuggled goods or funding training in digital forensics) supported the law enforcement authorities in Member States in their work to combat illegal cross-border activities.

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[25] European Commission (2017). Mid-term Evaluation of the Hercule III programme, prepared by CEPS, Economisti Associati, CASE, wedoIT. https://anti-fraud.ec.europa.eu/system/files/2021-07/herculeiii_midterm_evaluation_en.pdf
European Commission Staff Working Document (2016). Mid-Term evaluation of the Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC (SWD (2018) 3), https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2018:0003:FIN:EN:PDF

[26] Report from the Commission to the European Parliament and the Council, Final evaluation of the Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC (COM/2021/809 final, 16.12.2021), https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52021DC0809

[27] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

[28] European Commission Staff Working Document (2021). Final evaluation of the Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC (SWD (2021) 386, 16.12.2021), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0386

However, the evaluation also found aspects that could **hamper the effectiveness** of the programme. These included the **lack of resources** in Member States' administrations (which is not an aspect the Commission could influence or change) and the corresponding **lower ability** to cope with the administrative requirements, which could have led to fewer applications.

The final evaluation showed that the programme had been **efficient** across both training activities and technical assistance projects. The **benefits of the programme were found to outweigh the costs** incurred by the beneficiaries.

Differences in the administrative capacity of Member State administrations posed a **challenge** that could be overcome by providing more guidance for applicants and, where possible, simplifying the procedures.

In terms of **internal and external coherence**, no specific overlaps or duplication were identified. The evaluation identified a high degree of complementarity between the Hercule III programme and the AFIS.

The overall view of all stakeholders was that the programme provided clear **EU added value**. The programme acted as an enabler and driver for Member States to use a higher standard of equipment to detect and reduce the risks of fraud than would have been possible without the programme. The programme was also seen to act as a facilitator for EU-level cooperation between Member States, specifically through the funding of training activities, conferences, funded access to databases and associated tools.

70% of the 99 respondents consulted at the time by the contractor Ramboll stated that the same results could not have been achieved at national or regional levels. Crucially, the evaluation showed that a withdrawal of the programme would have led to an increase in fragmentation between Member States and created an uneven playing field in the fight against fraud, resulting in uneven protection across the EU.

Moreover, respondents indicated that the Hercule III programme served as a **deterrent**. Therefore, withdrawing the programme risked sending a message that fighting fraud is not a priority or no longer a priority, thereby potentially emboldening criminal actors[29].

2.1.2.2 *The Union anti-fraud programme (2021-2027)*

Acknowledging the contribution of the Hercule III programme and based on the 2018 *ex ante* evaluation of the UAFP Regulation[30], the Commission proposed a new Regulation, establishing the UAFP, to start under the 2021-2027 MFF.

[29] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

[30] European Commission, Commission Staff Working Document, Ex-ante evaluation accompanying the Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme (SWD (2018) 294). Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294

The legislative proposal was adopted on 29 April 2021 as Regulation (EU) 2021/785, with a total budget of EUR 181 207 000. The programme has been established for 7 years to align its duration with that of the MFF laid down in Council Regulation (EU, Euratom) 2020/2093[31].

The **2018 *ex ante* evaluation** of Hercule III highlighted the following **needs** to which the proposed programme should respond (summarised):

- the **lack of up-to-date** technical equipment and support in Member States;
- the **rise in new forms of fraud** and the rapid development of sophisticated technical tools used by criminals[32];
- more **cooperation between stakeholders** (including the exchange of best practices and experiences);
- access and **exchange of data and information** between stakeholders and Member States.

The independent study underpinning the Commission *ex ante* evaluation outlined some ideas that have been proposed, including possible objectives and activities for the programme going forward. This includes cross-border cooperation between Member States and cooperation with non-EU partners, including on technological **challenges**.

The study concluded, on the basis of the final reports of the actions and surveys of beneficiaries, that training activities generated results that were largely in line with the expected output. Nonetheless, it found that only a few training activities involved **staff exchanges** between national administrations or **international participation**.

Most of the suggestions from the 2018 evaluation have been addressed, as the Commission, since 2017, has been using an electronic management system for the submission, processing and management of grant applications under the Hercule III programme. The improvements brought about by the electronic management system include digitalising the whole application process and introducing the use of digital signatures. The electronic system has noticeably alleviated the administrative burden and the related time and resources spent by applicants on their proposal, as well as facilitated the monitoring of earlier and ongoing or closed projects.

The **programme's intervention logic** was drafted, based on the identified needs, the established objectives, the known financial input, the planned activities and the expected results and impact.

The UAFP is the **main EU-level programme specifically designed** to protect the EU's financial interests. The UAFP may act in synergy with other EU instruments providing technical support in the fight against fraud and corruption, such as the Technical Support Instrument

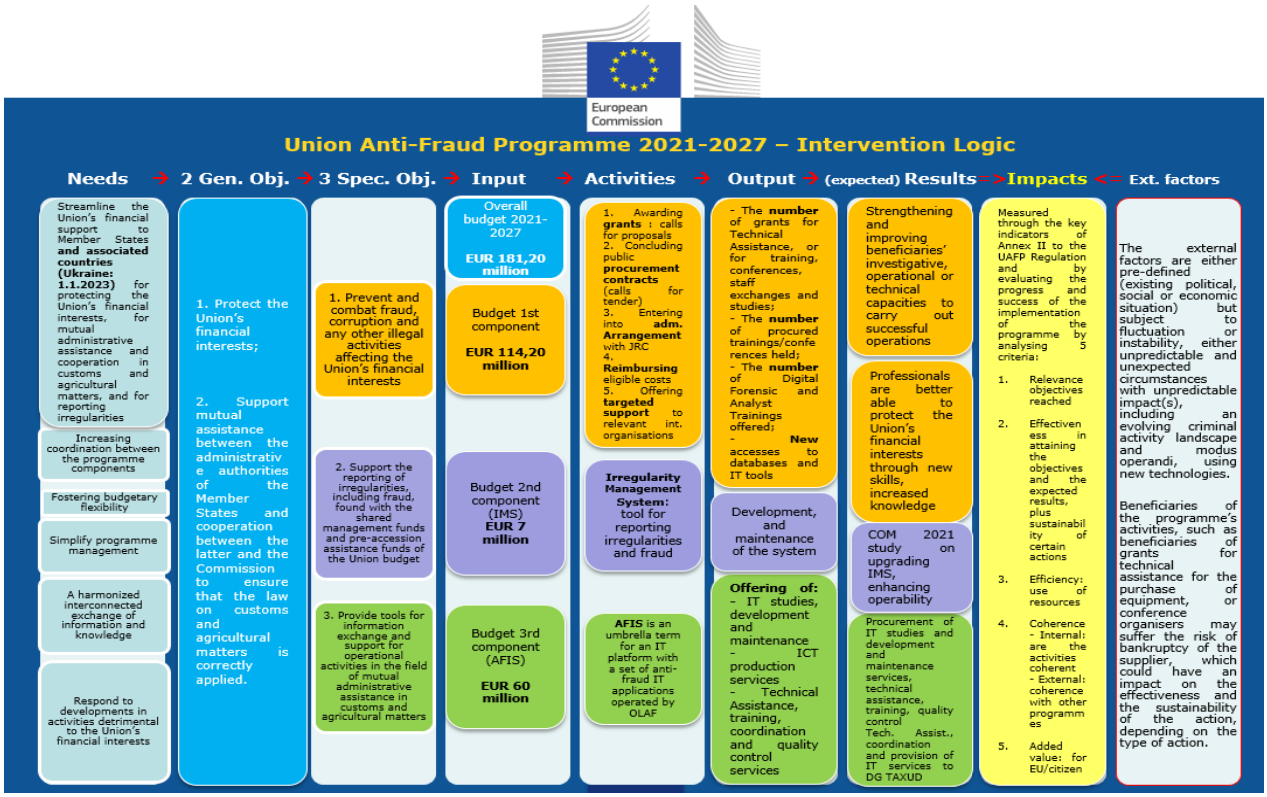
[31] Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

[32] This view was echoed by two beneficiaries of Hercule III funding, who were interviewed. They both stated that a key emerging challenge was the proficiency of criminals with complex encryption technology and communications.

(TSI)[33], as well as other EU programmes, such as the Customs programme[34], the CCEI and the Fiscalis programme[35].

Although the IMS is an IT tool running under the platform provided by the AFIS, the AFIS is considered to be the third component of the programme (and not the second). This is because of how the budget line numbering was attributed to these components during the legislative preparatory activities. During the adoption process of the UAFP Regulation, the same order was maintained[36]. This meant that the IMS was mentioned as the second component (although financially the smallest) before the third component, the AFIS (in light green below).

Figure 1: **Intervention logic of the UAFP**



[33] Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument (OJ L 57, 18.2.2021, p. 1).

[34] Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013 (OJ L 87, 15.3.2021, p. 1).

[35] Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the Fiscalis programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013 (OJ L 188, 28.5.2021, p. 1).

[36] Recital 9 UAFP Regulation: '*The Programme should therefore comprise a component similar to the Hercule III programme, a second component ensuring the financing of IMS and a third component that finances the activities tasked to the Commission under Regulation (EC) No 515/97, including the AFIS platform*.'

As of July 2024, 24 of the 27 Member States[37] participate in the EPPO[38]. Therefore, different forms of cooperation between the EPPO, the European Commission and national judicial and administrative authorities have been established. Specifically, for the purpose of establishing and maintaining a cooperative relationship, the EPPO and the Commission have concluded an agreement on 18 June 2021[39] while the EPPO and OLAF concluded a working arrangement on 5 July 2021[40].

A major change in the recent implementation of the UAFP has been the adoption of a Commission Decision[41] allowing **Ukraine** to become an **associated** candidate country to the programme. See Chapter 3.3 for details.

Table 2: Overview of the UAFP characteristics

General objectives	Article 2(1) of the UAFP Regulation: (a) protect the financial interests of the Union; (b) support 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 agricultural matters.
Specific objectives	Article 2(2) of the UAFP Regulation: (a) prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union; (b) support the reporting of irregularities, including fraud, with regard to the shared management funds and pre-accession assistance funds of the Union budget; (c) provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters.
Bodies eligible for funding	Article 10(2) of the UAFP Regulation: (a) public authorities which can contribute to achieving one of the objectives referred to in Article 2 and are established in: (i) a Member State or an overseas country or territory linked to it; (ii) a third country associated to the programme; or

[37] With Poland having joined in February 2024 (Commission Decision 2024/807 of 29 February 2024) and Sweden in July 2024 (Commission Decision 2024/1952 of 16 July 2024), currently only Denmark - due to its opt-out status -, Hungary and Ireland do not participate in the EPPO.

[38] In fact, all 27 Member States cooperate with the EPPO, in accordance with the relevant EU judicial cooperation instruments:https://www.eppo.europa.eu/en/faq#:~:text=Which%20EU%20countries%20take%20part,participate%20in%20the%20enhanced%20cooperation.

[39] 2021.073_Agreement_EPPO_European_Commission_final.pdf (europa.eu)

[40] Working_arrangement_EPPO_OLAF.pdf (europa.eu)

[41] Commission Decision C(2024) 760 of 12 February 2024 amending Decision C(2023) 6114 on the approval of an agreement between the European Union and Ukraine on the participation of Ukraine in the Union anti-fraud programme.

	(iii) a third country listed in the work programme under the conditions specified in paragraph 3; (b) research and educational institutes and non-profit-making entities which can contribute to the achievement of the objectives referred to in Article 2, provided that they have been established and have been operating for at least one year in: (i) a Member State; (ii) a third country associated to the programme; or (iii) a third country listed in a work programme under the conditions specified in paragraph 3; (c) any legal entity created under Union law or any international organisation. Article 10(3) of the UAFP Regulation: Entities referred to in paragraph 2 established in a third country which is not associated to the programme shall be exceptionally eligible under the programme where this is necessary for the achievement of the objectives of a given action. Such entities shall in principle bear the cost of their participation, except in cases which shall be duly justified in the work programme.
Beneficiaries	Eligible bodies that received financial support, i.e. have been awarded a grant or benefited from a procurement or a contract.
End beneficiaries	Staff that operates the equipment purchased through a technical assistance grant or which is a participant in training activities, or obtained access to databases, or received support through an AFIS application.
Unsuccessful applicants	Entities that applied without success to the calls for proposals for technical assistance or for training actions.
Participants in events	Individuals taking part in events (conferences, seminars, training, etc.) funded by the UAFP.
Users of services	Individuals accessing services purchased under procurement and made available to EU, national and regional institutions. Users of services comprise users of statistics and IT tools, users of databases, and users of services to carry out chemical analyses of samples from tobacco and/or cigarette seizures.
Traditional 'own resources'	A small share of tax revenue raised by Member States is transferred to the EU budget, which has three streams of traditional own resources: tariffs and duties (agricultural tariffs, sugar customs duties, and general tariffs), VAT-based income and gross national income-based revenue.

2.1.2.3 *Aim and rationale of the UAFP's Hercule component (protection of the EU's financial interests)*

As mentioned earlier, in response to the COVID-19 pandemic crisis, the EU adopted the 2021-2027 MFF and the RRF[42]. With a total amount of EUR 1.8 trillion, this is the largest package ever financed through the EU budget. It is therefore more important than ever to pursue the **objective** of **protecting** this budget, which represents EU taxpayers' money, and to ensure that it is collected and spent correctly.

For the **expenditure** side of the EU budget, the UAFP aims to help Member States implement various types of budget management, whether direct, indirect or shared.

To **achieve this objective** of protecting the EU budget as best as possible, together with the Member States, the EU has recently strengthened its anti-fraud **architecture**, featuring:

- a European Anti-Fraud Office (OLAF) with strengthened investigative powers through a revision of the OLAF Regulation in 2020;
- the criminal investigative and prosecutorial powers of the EPPO;
- the analytical capacity of the EU Agency for Law Enforcement Cooperation (Europol);
- the coordinating role of the EU Agency for Criminal Justice Cooperation (Eurojust).

The UAFP complements this strengthened regulatory framework by offering direct and indirect **financial support** to Member States, bearing a joint responsibility to counter fraud, corruption and any other illegal activities affecting the EU's financial interests.

To this effect, this **first component** of the UAFP allocates EUR 114 207 000 for 2021-2027, of which EUR 16 075 789 has been allocated for 2024. This budget funds activities to fight fraud, corruption and any other illegal activities affecting the EU budget.

The Commission implements this first component of the UAFP by:

- awarding grants following annual calls for proposals (direct support);
- concluding public procurement contracts following calls for tender (indirect support);
- entering into administrative arrangements with the Commission's Joint Research Centre (JRC), providing indirect support;
- reimbursing costs incurred by representatives from eligible entities who participate in training and operational activities (direct support).

To be eligible for funding, proposed actions must implement the UAFP's objectives. Financial resources allocated to the UAFP are also intended to contribute to the corporate communication of the EU's political priorities, in particular those related to the UAFP's objectives.

Some of the actions financed under Hercule, this first component of the UAFP, are therefore also likely to **help deliver on the EU's current political priorities** by:

- preparing for the **challenges** and opportunities of the **green** and **digital** transitions;

[42] Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17).

- making EU economies and societies more resilient to shocks in the future, provided these actions are linked to the UAFP's objectives.

It is important to tackle climate change in line with:

- the commitments of the EU to implement the Paris Agreement adopted under the UN Framework Convention on Climate Change;
- the UN Sustainable Development Goals[43].

Reflecting the importance of these efforts, the UAFP **aims to help ensure that climate action** is integrated into all policy areas and aims at helping achieve an overall target of 30% of the EU budget supporting climate objectives.

Therefore, the UAFP may, for example, enable Member States to be better equipped to prevent the import of certain illicit products that do not comply with standards laid down in EU environmental and climate legislation. In doing so, the actions taken under the UAFP not only prevent infringements of EU customs legislation but also **protect the environment** (as one example of the **EU added value** of the programme).

The UAFP can also support cooperation between customs and other competent authorities to fight certain fraudulent activities that damage the environment and people's health, such as activities related to **illegal waste shipments**, the **illicit trade in endangered species**, **illegal chemical products** and fraudulent or **substandard food** products.

The UAFP also strives to support Member States' **digital transition**, for instance, by:

- funding the purchase of IT tools supporting data analysis to detect fraud that affects revenues or expenditures;
- continuing to build national expertise on digital forensics (through specialised training).

2.1.2.4 *Aim and rationale for the Anti-Fraud Information System (AFIS) platform*

The main legal basis for the **operation** of the AFIS is Council Regulation 515/97.

The programme supports mutual administrative assistance activities under Council Regulation 515/97, including the AFIS. This assistance helps ensure a **correct application of the law on customs and agricultural matters**.

For the **legislative background** of Council Regulation 515/97 and its **crucial role** in the protection of the financial interests of the EU[44], see Annex VI for a more detailed description.

Council Regulation 515/97, **together with the UAFP Regulation**, are the **cornerstones of mutual assistance** in customs and agricultural matters at EU level. Effective cooperation in

[43] https://sdgs.un.org/goals

[44] Source: Commission Staff Working Document (SWD(2023) 428, 15.12.2023), Evaluation of 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 agricultural matters, https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=SWD:2023:428:FIN.

these fields **strengthens** the protection of the EU's financial interests and contributes to the **safety and health** of citizens and the **protection of the environment**.

AFIS is an IT platform that consists of a set of anti-fraud IT applications, run by OLAF under a common technical infrastructure. The aim of this set of IT applications is the timely and secure exchange of fraud-related information between national authorities and EU institutions, bodies, offices and agencies, as well as the storage and analysis of relevant data.

The AFIS platform has more than 9 000 registered end users in Member States, partner third countries, international organisations, the Commission and other EU institutions. AFIS enables substantial economies of scale and synergies in developing, maintaining and operating such a wide and diverse set of IT services and tools.

AFIS supports mutual assistance in customs by providing collaboration tools such as:

- VOCU (Virtual Operations Coordination Unit) for joint customs operations;
- secure web mail (AFIS Mail);
- databases such as CIS (Customs Information System) and FIDE (Customs Investigation Files Identification Database);
- the Container Status Messages (CSM) directory;
- the Import, Export and Transit (IET) directory.

AFIS also provides support in the form of data analysis tools, such as AMT (Automated Monitoring Tool) and a platform for strategic and operational data analysis. AFIS also supports electronic workflow applications such as ToSMA (the Tobacco Seizures Management Application).

This third component of the UAFP also covers expenditure relating to the use of the CIS database, provided for in instruments adopted under Article 87 TFEU[45] (police and law enforcement agencies' cooperation in combating crime), in particular in Council Decision 2009/917/JHA[46], insofar as those instruments require such expenditure to be borne by the EU general budget.

Through this component, EUR 60 000 000 has been allocated through the UAFP for 2021-2027, of which EUR 8 445 091 has been reserved for 2024, to provide tools for information exchange and support for operational activities.

2.1.2.5 *Aim and rationale for the IMS tool*

The second component of the UAFP finances the development and maintenance of the IMS, which supports the reporting of detected cases of irregularities and fraud.

[45] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12008E087

[46] Council Decision 2009/917/JHA of 30 November 2009 on the use of information technology for customs purposes (OJ L 323, 10.12.2009, p. 20).

The IMS is a secure electronic communications tool, operated under the AFIS platform, which helps Member States, candidate countries and potential candidate countries fulfil their obligation to report detected irregularities. The IMS also enables managing and analysing the reported data, which is a unique tool within the community of law enforcement agencies and of the management and control systems of EU funds.

For this component, EUR 7 000 000 has been allocated through the UAFP for 2021-2027, of which EUR 985 119 has been allocated for 2024.

EU legislation for various funds requires Member States, candidate countries, potential candidates and third countries to report irregularities and fraud affecting the EU's financial interests. This obligation can be found in the EU legislation that sets out rules for:

- the European Agricultural Guarantee Fund;
- the European Agricultural Fund for Rural Development;
- the European Regional Development Fund;
- the European Social Fund;
- the Cohesion Fund;
- the European Maritime and Fisheries Fund;
- the Asylum, Migration and Integration Fund;
- the Instrument for financial support for police cooperation, preventing and combating crime and crisis management;
- the Fund for European Aid to the Most Deprived;
- the Fund for pre-accession assistance;
- the Recovery and Resilience Facility (here exclusively on a voluntary basis).

2.1.2.6 *New features in the UAFP programme since 2021*

The UAFP introduced major changes from the now concluded Hercule III programme, as clarified by the Regulation. One of these changes is the circle of **entities eligible for support**. Under Article 10 of the UAFP Regulation, the eligibility of non-EU countries now generally depends on the conclusion of association agreements in accordance with Article 4, binding these countries to the implementation of the programme. This was the case for Ukraine, which was associated to the programme in February 2024, with retroactive applicability from 1 January 2023.

Another new feature is set out in Article 10(2)(c) of the UAFP Regulation, which opens the possibility for international organisations to participate in the programme.

The **addition of any international organisation** has been inspired, during the preparatory legislative work on the Regulation, by the fact that the programme was **initially** supposed to directly fund the **annual contribution** for the running costs of the secretariat of the Framework Convention for Tobacco Control ('FCTC'). This particular funding required the possibility for specific **indirect** budget management in the programme.

Therefore, Article 5(1) of the UAFP Regulation allowed the possibility of indirect management implementation, although the main components of the programme are implemented through **direct** management. Funding the annual contribution to the FCTC, through a specific budget line, is done with a specific Commission implementing decision on financing, including a work programme for the FCTC, covering each time a period of two years.

Another change, impacting the practical focus of the programme's support, arises from the parallel adoption of Regulation (EU) 2021/1077, establishing a **Customs Control Equipment Instrument (CCEI)**, as part of the Integrated Border Management Fund. Both are managed by DG TAXUD, the Commission department dealing with taxation and the customs union.

CCEI is equipped with a substantial budget of around EUR 1 billion for the current budget period. It can offer support in an area that had received substantial support under the past Hercule programmes. The Commission pointed out that technical assistance under the UAFP will now be targeted at the purchase of types of equipment that are not covered by the CCEI in order to avoid any overlap or duplication of EU financial support.

As a result, implementation of the programme is now focusing more on expenditure fraud. One of the recent developments this interim evaluation has looked into is the use of UAFP funding to **build up national capacity** to better protect expenditure against fraud.

In a shift away from costly customs equipment, the UAFP should also free up resources to strengthen support for other state-of-the-art equipment for operational anti-fraud work, such as advanced data analytics technologies and data mining tools. This **more data-oriented approach** is also in line with the **2019 Commission's anti-fraud strategy (CAFS)**, which highlights **improved data analysis** as a tool to better detect fraud.

2.2. Points of comparison

2.2.1 Situation before the start of the intervention

This section assesses the **baseline scenario** of what would have happened if the situation before the adoption of the UAFP had remained the same compared with the results and progress achieved to date.

As set out in the Better Regulation Toolbox[47] (Tool #60), a **baseline is a 'no-policy-change'[48] scenario** that makes it possible to assess how the UAFP has evolved since the last programming period. The baseline gives the evaluation a comparison point and benchmark against which to assess the UAFP achievements in meeting its objectives.

[47] The Better Regulation Toolbox is a result of the Inter-Institutional Agreement of 13 April 2016 on Better Law Making (OJ L 123,12.5.2016, p.1).

[48] European Commission, Better Regulation Toolbox (version 20.7.2023). Available at: https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en

The **points of comparison** that could be identified in the **legislative financial statement**, i.e. the annex to the '**Explanatory memorandum**', which is part of the **May 2018 'Proposal of the Commission for a Regulation establishing an EU anti-fraud programme'**[49], are as follows:

- ***Added value of EU involvement*** *(For the purposes of this point 'added value of EU involvement' is the value resulting from EU intervention that is* ***additional*** *to the value that would have been otherwise created by Member States alone.)*
    - Reasons for action at European level in 2018[50]:

      Fraud affecting the EU's financial interests is a cross-border phenomenon, affecting all EU Member States, as shown by statistics published in 'the PIF Reports. There is a **need for coordinated action** to tackle fraud and also to **facilitate** mutual administrative assistance in **customs matters**. Hercule, AFIS and the IMS are all well-established tools supporting the Member States and the EU in this respect. This proposal aims to **streamline** the **financial support** for these tools for the duration of the next MFF.

    - Expected generated EU **added value:**

      The programme is expected to continue supporting the Member States and the EU in fighting fraud affecting the EU's financial interests by financing activities (technical assistance and training), which otherwise might not be available at national level in **all Member States**. It will also provide services (AFIS and IMS) that, to meet their objectives, should be delivered in a centralised and horizontal manner for **all Member States**. The programme will also **allow for savings** as has been the case with the centralised purchase of access to various databases.

- ***Lessons learnt*** *from similar experiences in the past (before 2018)*:

  Hercule, AFIS and the IMS are well-established EU tools for combating fraud and irregularities that harm the EU budget and for supporting mutual administrative assistance between customs administrations and cooperation with the Commission. They have been subject to regular evaluations and user satisfaction surveys, which have largely **demonstrated their added value**.

  As an operational activity, AFIS has been subject to user satisfaction surveys, internal audit activities, as well as participants' evaluations, joint customs operations (JCOs) and training sessions. AFIS was positively appreciated, showing a satisfaction rate of more than 80%

[49] COM(2018) 386, Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, 30.5.2018, including the SWD(2018) 294, 30.5.2018. Reference of the European Council file of this Proposal: 2018/0211 (COD).

[50] An *ex ante* evaluation was performed in 2018 in connection with the upcoming UAFP, in line with Article 30(4) of the then in force 2012 Financial Regulation, in the form of a staff working document, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018SC0294.

among users for functionality, performance and training activities. Moreover, the European Court of Auditors concluded that the information on Container Status Messages and fair prices, provided by the AFIS applications CSM directory and Automated Monitoring Tool, are **effective** tools in identifying potential cases of fraud related to the misdescription of origin and undervaluation/underinvoicing.

The IMS is analysed in close collaboration with Member States, as part of the **'Reporting and Analysis' component** of the COCOLAF[51] advisory committee of the Commission (OLAF).

- ***Compatibility*** *and possible* ***coordination*** *with other appropriate instruments*:

The conclusions of the final evaluation of the Hercule III programme and the new **challenges** posed by the increased EU expenditure brought some changes to the new programme (2021).

Most notably, the programme now focuses more on the expenditure side of the budget, taking into account the new forms of EU expenditure introduced by the MFF and the RRF Regulation. It also puts a stronger emphasis on new trends in crime patterns through its AWPs, reflecting possibilities for funding projects related to a non-exhaustive list of new or developing trends. Continuous coordination between Commission services managing programmes that are related to the objectives of the UAFP, such as the CCEI or the Customs programme, ensures that potential financial double funding is avoided. This coordination takes place, in particular, during the annual evaluation exercise of new applications received for funding by these programmes or instruments.

Furthermore, the *ex ante* evaluation of the UAFP demonstrated the clear EU **added value** of **AFIS** and **IMS**. The EU added value of AFIS is linked to the critical importance of the effective performance of the national customs authorities' missions, in collaboration with the Commission. The contribution of AFIS to cross-border coordination, especially in terms of collection of and access to data, proved vital to this effective performance.

IMS is the only database in the EU that consolidates reported information about irregularities, including fraud, in the shared management and pre-accession funds. Information is available by field of EU action and by Member State (and reporting country). It allows for various types of analyses and helps further develop an evidence-based EU anti-fraud policy. Through the analyses developed by OLAF, it also feeds into the Member States' fraud risk assessments.

The added value of such an EU-wide framework allows for identifying common risks and patterns and drawing up and implementing common approaches to fighting fraud. This contributes to the effective and equal protection of the EU's financial interests throughout the EU.

[51] Advisory Committee for the Coordination of Fraud Prevention.

The following overview table presents the **indicators to measure the performance** of the UAFP and how its components performed in the context of these indicators. They are listed per evaluation criterion and have been developed by the contractor ICF and further refined through desk research, literature review and ICF's consultations with stakeholders.

For the development of the **baseline**, particular attention was placed on the Commission's PIF Reports, the final evaluation of the Hercule III programme and the 2019 AFIS Survey summary report[52].

2.2.2 Overview of the points of comparison by evaluation criterion

Table 3: Points of comparison identified per evaluation criterion

Indicators	Baseline
Effectiveness	
Perception by end users of the effectiveness of the Hercule component projects	87% agree that the Hercule III programme contributed to supporting law enforcement agencies in their work to combat illegal cross-border activities; 75% agree projects contributed to reducing the risk of cigarette smuggling.
Perception of end users of the effectiveness of training	93% satisfaction rate among trainees.
Perception of the contribution of technical assistance projects to transnational cooperation	Generally, stakeholders found that the projects had a positive effect on transnational cooperation, but no specific data from the end-user survey are available.
AFIS: number of information items on mutual assistance	According to PIF reports, targets in 2019 and 2020 were not achieved. The baseline number of information items on mutual assistance is 18 639 [53].

[52] This summary report detailed the results of the AFIS user satisfaction survey conducted from 6 May 2019 to 19 July 2019. The purpose of the survey was to measure the level of satisfaction of the users concerning:
1. the AFIS Helpdesk;
2. AFIS applications;
3. training and user manuals;
4. general opinion about the AFIS Portal and its applications.

[53] Source: European Commission. Anti-Fraud – Performance (2023). Available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

Indicators	Baseline
Perception by end users of the effectiveness of AFIS	According to the 2019 AFIS user survey, 57% agree that AFIS applications respond to their professional needs, and 27% slightly agree.
IMS performance	Issues with the quality of data (completeness and consistency of entries), difficulties with the search, and the need to improve communication on system updates were identified.
Perception by end users of the effectiveness of IMS	The user satisfaction rate for IMS users was 72% in 2019. IMS had more than 3 000 users across Member States, candidate countries and potential candidate countries in 2019 [54]. In 2023, the user satisfaction rate had already increased with 19 percentage points to 91%.
Efficiency	
Perception of the contributions of the UAFP to the funded organisations' organisational, investigative, and technical capacities, among other capabilities	The Hercule III programme met the needs of stakeholders working to protect the financial interests of the EU. However, the development of new and emerging threats needed to be taken into account for the design of the current programme in order to allow beneficiaries to be reactive.
Perception of stakeholders regarding the cost effectiveness of the application process for a grant	The benefits of the Hercule III programme outweighed the costs incurred although applicants should have received more guidance and processes should be simplified (see point below).
Perception about the administrative burden of the application process.	The application process for grants under the Hercule III programme (which was evaluated in 2021) found that the application procedure needed some

[54] Source: PIF Report 2019: https://anti-fraud.ec.europa.eu/document/download/cbf4c2bc-1217-4123-a3b0-a7cbb9355931_en?type:pdf.

Indicators	Baseline
	improvements, including simplification and better guidance for applicants.
Number of users, number of cash declarations registered in the AFIS system and number of improvements.	The AFIS Customs Information System (CIS+) module had more than 2 200 users. In December 2021, AFIS CIS+ contained data on 31 500 cash declarations and 1 800 infringements of the new Cash Control Regulation, Regulation 2018/1672 (this was 6 months after going live). The baseline figure for AFIS information items on mutual assistance (under Regulation 97/515) is 18 639 (2019)[55].
Number of irregularities	In 2019, 11 726 irregularities were reported to the Commission, involving approximately EUR 1.6 billion. Of these, 939 irregularities were reported as fraudulent.
Coherence	
Internal coherence Existence of internal coordination and/or overlaps among the three components	Hercule III programme funding activities showed internal coherence, with minimal overlap; however, synergies among funded actions appeared underused. Hercule III programme and the AFIS were considered to be coherent as Hercule III supported customs anti-fraud activities
External coherence Existence of coordination and/or overlaps with other relevant instruments and interventions at	IMS worked in conjunction with the Hercule III programme and AFIS to ensure the exchange of information and the protection of the EU's financial interests. Hercule III programme demonstrated strong

[55] European Commission. Anti-Fraud – Performance (2023). Available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

Indicators	Baseline
EU level	coherence with relevant EU legislation and initiatives, playing a supportive role in other EU-level initiatives. The programme's synergies with DG TAXUD and DG HOME programmes, covering the fight against corruption and VAT fraud should be ensured and maintained.
Relevance	
Perception of programme funding recipients of the relevance of the UAFPs objectives to protect the EU's financial interests	High level of relevance of the objectives under the Hercule III programme according to funding recipients.
Percentage of Member States receiving support in a given year under the Hercule III programme	81% of Member States received support under the Hercule III programme in 2020.
Assessment of AFIS user needs as part of 2019 AFIS satisfaction survey	Positive perception among AFIS users of AFIS's ability to meet their needs.
User satisfaction rate for the use of IMS	The user satisfaction rate for users of the IMS was 72% in 2019, surpassing the target of 70%. In 2023, it had already increased with 19 percentage points to 91%.
Added value	
Perception of recipients of programme funding under the Hercule component as to whether the same level of intervention would be possible without EU support	Of the 99 respondents surveyed for the final evaluation of the Hercule III programme, 70% disagreed that the same results were possible at national level alone[56].
Number of instances in which mutual assistance information is made available and number of supported mutual assistance-related activities relative to yearly target (AFIS)	At the beginning of 2021, the number of instances of available information was 19 125. The annual overview of the 2021 UAFP programme states that this indicator had previously missed the yearly targets for 2019 (18 639 available out of a targeted

[56] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

Indicators	Baseline
	21 500) and 2020 (19 125 available out of a targeted 24 000).

Source: ICF analysis

3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

3.1. Implementation of the programme

The UAFP is being implemented by the Commission through the adoption of AWPs, which cover each year of implementation.

The Commission adopts these work programmes under Article 11 of the UAFP Regulation and Article 110 of Regulation (EU, Euratom) 2018/1046[57], (the 'Financial Regulation'). On that basis, each work programme sets out the **priorities** for funding in a particular year, as well as the **objectives pursued**, the **expected results** (using **indicators**) and the **methods of implementation**. The work programme also **responds to specific requirements and needs** arising from the UAFP Regulation's provisions and the **feedback** received from beneficiaries and stakeholders (internal and external) during exchanges of information, evaluation reporting, workshops, etc.

During implementation of the programme, OLAF measures the fulfilment of the specific objectives through two performance indicators upon finalisation of the project(s) or action(s).

The **first indicator** relates to the added value and effective use of the co-financed technical equipment funded under the UAFP (as reported by direct users). In the final project reports for 2021, beneficiaries expressed a 97% satisfaction rate for the equipment funded under the programme, surpassing the target of 75%[58].

In addition, the programme performed well in the **second performance indicator**, which measures the number of training activities funded and the associated satisfaction rate. For the

[57] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).
This regulation was replaced as of 30 September 2024 by Regulation (EU, Euratom) 2024/2509 of 23 September 2024 on the financial rules applicable to the general budget of the Union, (OJ L 2024/2509, 26.9.2024). However, since **Regulation (EU, Euratom) 2018/1046** was applicable during the period under evaluation, **all references in this document to the 'Financial Regulation' are made in relation to the latter**.

[58] European Commission, Programme Performance Statements (PPS, 2023), available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en#:~:text=In%202023%2C%20the%20programme%20committed,of%20the%20COVID%2D19%20period

training grants finalised in 2021, participants and trainees had a satisfaction rate of 91% and considered that the activities were very well-suited to their needs[59].

Example: The 2024 AWP: Indicators to measure the expected results (excerpt)

> '*The Commission will support the following four categories of technical assistance actions. The expected results from the actions, together with the indicators enabling them and the added value and effective use of the co-financed technical equipment to be measured, are as follows:*
>
> *1. investigation and surveillance equipment and methods:*
>
> *The purchase and maintenance of investigation and surveillance equipment and methods used by beneficiaries in the fight against irregularities, fraud and corruption, detrimental to the Union's financial interests. The purchase of adapted transport equipment, IT hardware and software and audio-visual equipment may be included, provided an applicant clearly demonstrates that the purchase helps to achieve the first specific objective of the UAFP. Specialised training to enable staff to operate these tools has to be planned as part of the action.*
>
> *2. digital forensic hardware:*
>
> *The purchase and maintenance of digital forensic equipment and software, mobile forensic tools and computer forensic collaborative systems used in the fight against (fraudulent) irregularities, fraud and corruption detrimental to the Union's financial interests. Cross-border cooperation enabling the exchange of information and best practices, in particular at operational level, is strongly encouraged.*
>
> *3. data analytics technologies and data purchases:*
>
> *The purchase and maintenance of commercial specialised databases, data analysis platforms capable of running analysis in big data environments, risk and predictive analysis and data mining tools, as well as systems supported by artificial intelligence used in the fight against irregularities, fraudulent activities and corruption, detrimental to the Union's financial interests. These purchases include capacity building in Member States for developing, using and sharing databases and business intelligence tools. These purchases may also enable the acquisition of integrated packages, comprising for example hardware and software, access and training, including training for the 'Tobacco Tracking & Tracing' database.*

[59] European Commission, Programme Performance Statements (PPS, 2023), available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en#:~:text=In%202023%2C%20the%20programme%20committed,of%20the%20COVID%2D19%20period

***Expected results for actions 1-3**: Strengthening and improvement of beneficiaries' investigative and operational capacity, as measured, for example, by the **number of successful operations** carried out with the purchased products in support of investigations into activities detrimental to the Union's financial interests. This includes the number of arrests, convictions, seizures, confiscations, recoveries, prevented losses to the national and Union budgets, and fraud schemes uncovered.*

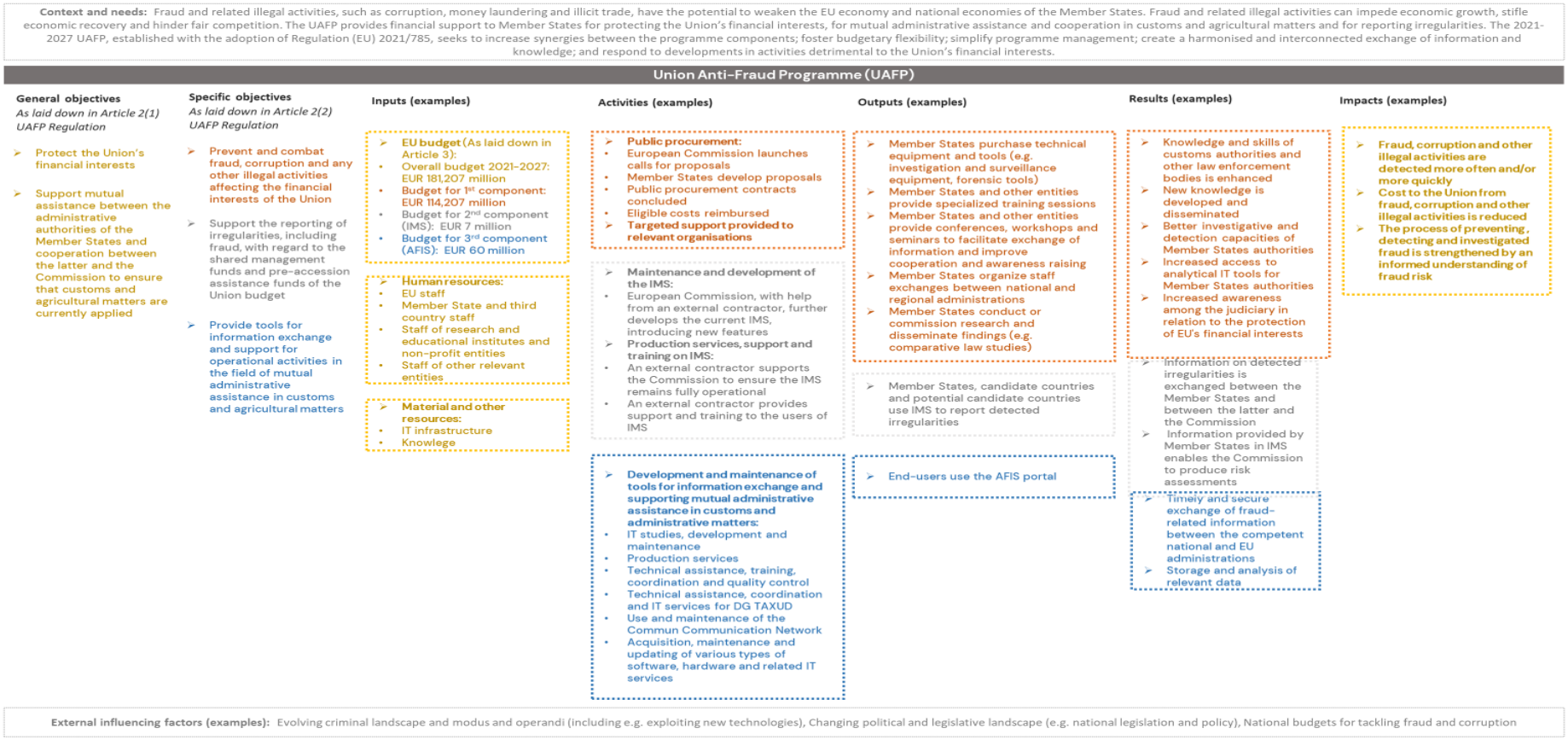
4. detection of illicit trade:

The purchase and maintenance of equipment to strengthen beneficiaries' operational and technical capacity to detect smuggled and counterfeited goods, including cigarettes and tobacco, imported into the Union with the intention of evading VAT, customs duties and/or excise taxes.

***Expected result**: Strengthening and improvement of beneficiaries' (in particular, customs authorities') technical capacity to carry out verifications of trucks, containers and (other) vehicles, as measured by the **number of verifications and 'hits'** following the use of the equipment.*'

In order to **avoid any duplication in EU support**, the UAFP targets its support at the acquisition of types of equipment that do not fall under the scope of the CCEI or for equipment for which the beneficiaries are authorities other than the authorities targeted by that instrument. The Commission **consistently considers any potential overlap** while **evaluating the coherence and added value of a proposal** for funding by the programme.

Figure 2: Intervention logic of the UAFP, established by ICF [60]



[60] Based on identified needs and the field work executed by the external contractor. To be noted that in this presentation, the association agreement with Ukraine was not yet taken into consideration, as signed in February 2024, outside the study period envisaged.

3.2 The funding of the programme's components and actions

3.2.1 Budget and budget implementation

Article 3 of the UAFP Regulation has set the available UAFP budget for the 2021-2027 MFF at EUR 181.2 million in current prices.

According to the UAFP Regulation, the programme will be implemented, in principle, in **direct management** in line with the Financial Regulation, or (rather exceptionally) in indirect management with a body (for example, an international organisation) referred to in Article 62(1), first subparagraph, point (c) of the Financial Regulation.

Under Article 5 of the UAFP Regulation:

- The programme may provide funding in any of the forms laid down in the Financial Regulation, in particular **grants and procurement**, as well as the **reimbursement** of travel and subsistence expenses as provided for in Article 238 of the Financial Regulation. The programme may provide funding for **actions carried out in line with Council Regulation (EC) No 515/97**, in particular, to cover the types of costs referred to in the indicative list in Annex I to that Regulation.
- Where the supported action involves the purchase of equipment, the Commission is required, if appropriate, to set up a **coordination mechanism to ensure efficiency and interoperability** between all the equipment purchased with the support of other EU programmes (e.g. through DG TAXUD's CCEI).

Grants may cover **up to 80% of the eligible costs**. In exceptional and duly justified cases, if the proposed project is a 'priority action', this percentage may be increased to a maximum of 90%[61] under the conditions set out below[62].

1) For the technical assistance call, the percentage may be increased when:

(i) the proposal reflects the findings of the PIF reports, in particular by identifying situations that are vulnerable and that pose the greatest threat to protecting the EU's financial interests; or

(ii) the proposal reflects the findings of the European Court of Auditors' Special report 19/2017 on import procedures[63].

2) For the training call, the percentage may be increased when:

[61] UAFP Regulation, Article 8 – Co-financing: '*The co-financing rate for grants awarded under the Programme shall not exceed 80% of the eligible costs. Any funding in excess of that ceiling shall only be granted in exceptional and duly justified cases, which shall be defined in the work programmes referred to in Article 11, and such funding shall not exceed 90% of the eligible costs*.'

[62] The conditions, are as published each year in the annual calls for proposals related to technical assistance and to training.

[63] https://www.eca.europa.eu/en/publications?did=44169

(i) projects undertaken by scientific and/or research organisations fulfil at least one of the criteria (a) and (b) below, in addition to criterion (c):

(a) the project has been specifically created to promote studies in European criminal law; or

(b) the project supports the creation of networks in this area; and

(c) these activities are geared towards protecting the EU's financial interests; or

(ii) training projects cover one of the exceptional cases listed for the technical assistance call.

Public procurement contracts may be awarded to any legal entity that satisfies the requirements set out in the applicable legal framework. Public procurement is used for purchasing (access to) databases, conferences and (specialised) training and the development of specific IT tools.

3.2.2 Annual work programmes (AWP)

In the Annex to the annual Financing Decisions, there is an overview of the activities to be carried out in a given year and the available budget per sector of activities (technical assistance and IT support, training, conferences, access to databases, etc.). It also lists the calls for proposals to be published as well as the contracts to be concluded with the budget of that year.

The table presented hereafter provides detailed figures on the adoption dates, references and amounts allocated to the different components of the programme, starting with the year 2020, i.e. the last year of implementation of the Hercule III programme.

Table 4: Overview table on adopted acts (Financing Decision and annual work programmes / annual overviews), situation as of 2 July 2024

Financing Decisions and AWP			*Budget in EUR*		*Paid*
Year	***Reference***	***Adoption date***	**Commitments**	**Payments**	**in %**
	HERCULE III				
2020	C(2020) 28	16.1.2020	16 443 100	16 293 436.44	99.1%
	UAFP				
2021	**AFIS**[64] C(2021)2120	7.4.2021	See figures below		
2021	UAFP: C(2021) 5338	23.07.2021	First component:		

[64] For business continuity reasons, and, as the 2021-2027 MFF Regulation had not yet been adopted at the beginning of 2021, AFIS required a specific Commission Decision on financing and an annual work programme, covering a number of months at the beginning of 2021 until the adoption of the first Commission implementing decision on financing the UAFP in July 2021.

			15 160 000 AFIS: 7 964 000 IMS: 929 000 Total: 24 053 000	14 518 248 7 964 000 914 476 23 396 724	95.8% 100% 98% 97.3%
2022	UAFP: C(2022) 1139	25.02.2022	First component: 15 425 034 AFIS: 8 009 640 IMS: 934 325 Total: 24 368 999	 10 236 438 7 642 666 837 162 18 716 266	 66.4% 95.4% 89.6% 76.8%
2023	UAFP: C(2023) 813	07.02.2023	First component: 15 662 329 AFIS: 8 227 888 IMS: 959 783 Total: 24 850 000	 14 133 748 7 518 587 1 285 052 22 937 387	 90.2% 91.3% 133.89% 92.30%
2024	UAFP: C(2024) 645	05.02.2024	First component: 16 075 789 AFIS: 8 445 091 IMS: 985 119 Total: 25 505 999	 14.573.800 7.011.793 984.815 22.570.408	*(26.11.2024)* 90,7% 83% 99,7% 88,5%
Annual implementation reports UAFP (Annual overview)					
2021	SWD(2022) 305[65]	23.9.2022	N.A.	N.A.	
2022	SWD(2023) 276[66]	27.7.2023	N.A.	N.A.	
2023	SWD(2024) 187	25.7.2024	N.A.	N.A.	

3.2.3 Monitoring and reporting method

Article 12 of the Regulation states that:

> '*Indicators to report on the progress of the programme towards the achievement of the general and specific objectives laid down in Article 2 are set out in Annex II [to the Regulation].*'

To ensure an **effective assessment of the programme's progress towards the achievement** of its objectives, the Commission is empowered to adopt delegated acts, in line with Article 14, to amend Annex II with regard to the indicators where considered necessary, as well as to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

[65] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=SWD:2022:305:FIN
[66] https://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX%3A52023SC0276

The Regulation sets out that the Commission should report or continue to report annually on the performance of the programme to the European Parliament and to the Council in the framework of its 'Annual Report on the protection of the Union's financial interests – Fight against fraud'. **The progress of the implementation of the programme is measured through an 'Annual Overview'**, annexed to the PIF Report (See Table 4 above).

As part of the discussions on the PIF reports, the European Parliament **may make recommendations for the annual work programme**. The Commission must duly take those recommendations into account.

The Commission's annual performance reporting system must ensure that data for monitoring the implementation and the results of the programme are collected efficiently, effectively and in a timely manner. To that end, **proportionate reporting requirements** must be **imposed on recipients of EU funds** and, where relevant, **on the Member States**.[67]

In line with Article 12(1) of the UAFP Regulation and its Annex II, the programme implementation is monitored through a **set of key indicators**, in relation to which data will and are being collected, per objective, per year of implementation, published year +1 in the 'Programme Performance Statement' by the Commission, per programme[68].

- Specific objective 1 ('Hercule'): Preventing and combating fraud, corruption and any other illegal activities affecting the financial interests of the EU.

  - **Indicator 1**: Support in preventing and combating fraud, corruption and any other illegal activities affecting the financial interests of the EU, as **measured by**:

    - 1.1: the **satisfaction rate** of activities organised and financed or co-financed through the programme;
    - 1.2: the **percentage of Member States receiving support** each year from the programme.

- Specific objective 2 ('IMS'): Supporting the reporting of irregularities, including fraud, with regard to the shared management funds and pre-accession assistance funds of the EU budget.

  - **Indicator 2**: the **user satisfaction rate** for the use of IMS.

[67] See Article 12, Regulation (EU) 2021/785 of the European Parliament and of the Council of 29 April 2021 establishing the Union Anti-Fraud Programme and repealing Regulation (EU) No 250/2014, (OJ L 172, 17.5.2021, p. 110 -122).

[68] https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en

- Specific objective 3 (‘AFIS’): Providing tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters.

  - **Indicator 3**: the **number of instances** in which mutual assistance **information** is made **available** and the **number of supported** mutual assistance-related **activities**.

The programme has a **limited financial size** and is managed by a small team in OLAF. In addition, the initial intention of the legislators was not to create a large set of performance indicators in the UAFP Regulation so that the administrative burden would stay reasonable. For these reasons, OLAF applies an **internal working method** on how it **monitors and evaluates** the implementation and outcome of the programme’s actions. This includes selected on-the-spot visits to beneficiaries’ premises to verify the existence of the funded purchases for technical assistance (equipment).

This method also takes into consideration the **result indicators** mentioned above for each specific objective, as well as certain **input and output indicators**, in particular on **budget and programme implementation** (consumption of the budget, number of grant agreements and contracts, etc.).

Consideration has to be made for the fact that COVID-19 caused the duration of a considerable number of projects to be extended because certain equipment was not delivered in 2021 and 2022. This resulted in final payments being postponed until the delayed final report was received. For this reason, payments were also delayed, showing likely a delayed ‘consumption’ of the annual budget.

Furthermore, the Commission (OLAF) also monitors the **impact of the programme** through **information** in grant beneficiaries’ or contractors’ **final technical reports**. These reports cover the **results achieved with the activities funded** under the programme and the **contribution made** to the protection of the EU’s financial interests. This reporting accompanies their request to OLAF for final payment.

For technical assistance, this information consists, for example, of the **number of seizures** of cigarettes or counterfeit goods that were made with the purchased technical equipment. Beneficiaries also report (where available or quantifiable) on the **estimated financial impact** of seizures and the losses to national and EU budgets as well as the **number of persons under investigation or detained suspects** in relation to seizures or other operations.

Moreover, beneficiaries of technical assistance grants must submit a final implementation report **within 1 year after the closing date** of a grant agreement. Through this final implementation report, the beneficiary can report **more extensively on the achievements** linked to the purchased equipment and **demonstrate the contribution of the action** and its **results in achieving** the programme’s objectives.

The beneficiaries are requested to **indicate what difficulties they had to overcome** during the implementation of the grant agreement, such as **procurement problems** or difficulties with the **installation or maintenance** of the technical equipment.

For conferences, seminars and training events, the final technical reports contain the **results of participant surveys** on the **usefulness and relevance** of the activities for daily work and/or the fight against fraud.

3.2.4 Actions under the Hercule component – analysis

Table 5: Overview of the Hercule budget between 2014 and 2020

Programme and period	Allocated budget
Hercule III (2014-2020)	EUR 104.9 million
UAFP (2021-2027) – Hercule component	EUR 114.207 million (8.9% more than whole H-III programme)

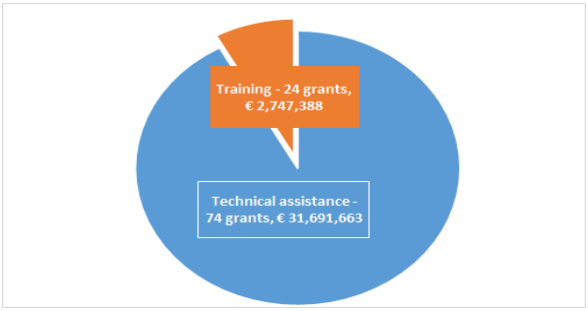
The allocated budget has increased significantly over time with each new programming period, i.e. from EUR 12 million for Hercule I (EUR 4 million per year) to EUR 98.5 million for Hercule II and EUR 104.9 million for Hercule III. The UAFP has a budget of around EUR 181.2 million for 2021-2027[69] of which the majority, 63%, is allocated to the Hercule component (EUR 114.207 million).

The second largest part, 33%, is allocated to the AFIS component and the remaining part, 3.8%, is allocated to the IMS component.

3.2.4.1 *Type of calls*

Between 2021 and 2023, the Hercule component of the programme awarded grants to 98 projects (74 for technical assistance and 24 for training and studies).

Figure 3: Hercule component by type of calls (2021-2023)



[69] OLAF Union Anti-Fraud Programme (UAFP). Available at: https://anti-fraud.ec.europa.eu/policy/union-anti-fraud-programme-uafp_en.

3.2.4.2 *Activities and output*

The awarded projects included a variety of procurement (purchase of equipment) and training activities, reflecting a wide range of **needs**. These needs included acquiring new systems and equipment to boost investigative capacity and capabilities, upgrading systems and training staff to take advantage of technological advancements (e.g. digital forensics, deployment of artificial intelligence), and sharing information and best practices among competent authorities in charge of combating fraud and irregularities.

Based on the review of the calls for proposals and the project applications, the planned activities and output were grouped into the categories listed below.

3.2.4.3 *Technical Assistance*

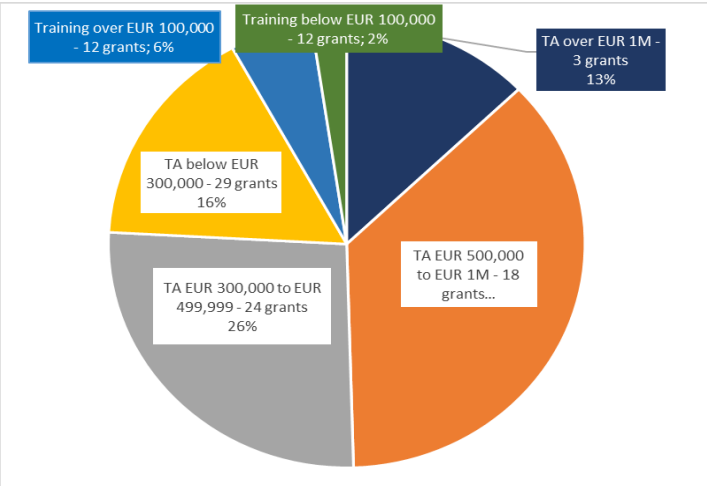
1. investigation and surveillance equipment and methods
2. digital forensic hardware
3. data analytics technologies and data purchases
4. detection of illicit trade.

3.2.4.4 *Training*

1. specialised training sessions
2. conferences, workshops, and seminars
3. staff exchanges
4. comparative law studies and periodical publications.

Figure 4 below presents the relative weight of the different types of activities/output.

Figure 4: Hercule component by type of activities and output (2021-2023 calls)



Source: ICF analysis of the documentation of the Hercule component projects

3.2.4.5 *Size of grants*

The size of grants varies from over EUR 1 million for three technical assistance projects to less than EUR 50 000 for some training grants (minimum threshold: EUR 40 000 for training). About half the overall grant amount for the Hercule component was awarded to 20 projects with grants over EUR 500 000. A total of 29 technical assistance projects have grants below EUR 300 000, amounting to 17% of the total grant amount.

Most grants for training activities and conferences are around or below EUR 100 000, with only three grants above EUR 200 000 (one for a publication and two for comparative studies).

3.2.4.6 *Beneficiary countries*

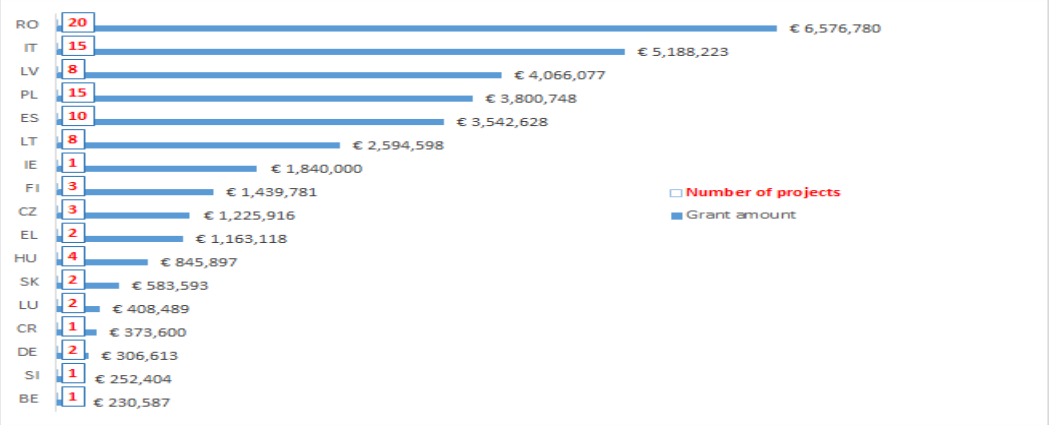
Between 2021 and 2023, grants were awarded to applicants from 17 Member States.

After an evaluation of all the received applications, over 77% of the total grant amount and almost 80% of the number of projects were awarded to beneficiaries from six Member States: Romania, Italy, Latvia, Spain, Poland and Lithuania.

The uneven distribution of grants is mostly due to the lack of applications from many of the eligible countries (and to the differences in project size and budget). One of the main reasons communicated for the absence of applications from several Member States is the availability of national funds. OLAF does a lot of dissemination via its various networks about the launch of the calls for proposals. At various training sessions and presentations in OLAF and Member States, the programme and its purpose is regularly highlighted. However, on the procurement side of the Hercule component, **all** Member States receive valuable support (through free access to commercial databases, IT analytical tools and specialised anti-fraud training).

At the same time, through its AFIS and IMS components and training for digital forensic analysts, the UAFP does reach **all** Member States and **other** eligible countries.

Figure 5: Hercule component 2021-2023 – distribution of grants by beneficiary country



Source: ICF analysis of the documentation of the Hercule component projects

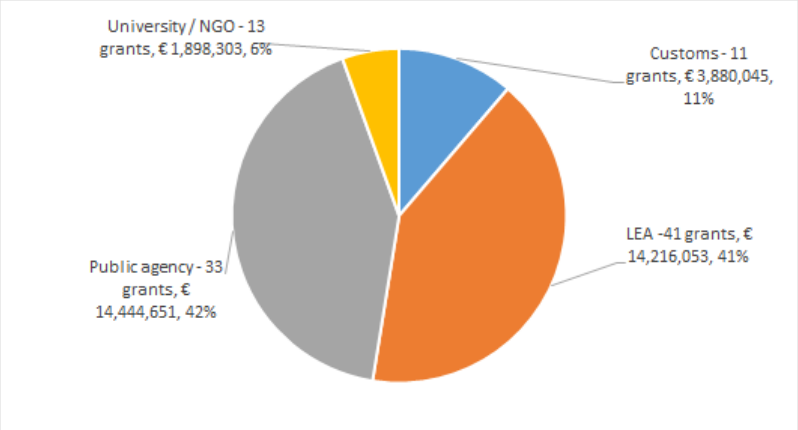
3.2.4.7 *Type of beneficiaries*

The beneficiaries of the Hercule component are law enforcement agencies (LEAs), customs authorities, public agencies, regional authorities, universities and non-governmental organisations. The distribution of funds among these groups is shown in Figure 6 hereafter.

As expected, most beneficiaries are public agencies (such as tax administration, anti-corruption agencies and investigation units). They received 42% of the grant total and LEAs received 41%. Customs agencies were awarded 11 grants, accounting for 11% of all grants.

All grants awarded to universities and NGOs are for training, academic studies, seminars and workshops (as these type of organisations can submit eligible proposals).

Figure 6: Hercule component – grants by type of beneficiaries



Source: ICF analysis of the documentation of the Hercule component projects

3.2.4.8 *End date of projects*

The end date of the awarded projects is important in the context of this interim evaluation. This is because it indicates how many of the projects would have been completed by the cut-off date for the analysis of the projects' output and impacts.

Only 14 of the awarded projects were planned to finish by the end of 2023 (of them, seven were planned to be completed in November or December 2023). Therefore, most analysis and conclusions have been based on planned objectives and output and interim results, where available, considering delays relating to COVID-19.

3.2.4.9 *Procured access to external databases*

In addition to grants, the Hercule component of the UAFP provides funding for the procurement of equipment and services and for access to external databases, which are used by customs and other law enforcement authorities in all Member States.

In the evaluation period, access to the following three external databases was procured[70].

- **Worldwide companies information** (Dun & Bradstreet). This supports customs investigations carried out by Member State authorities related to fraud undermining the financial interests of the EU. The database enables the creation of risk profiles and the verification of certain information on companies, company structures and beneficiary owners.
- **Global trade statistics** (IHS Global Trade Atlas). This provides import and export data, specifically the quantities and values of certain goods imported into a given Member State from non-EU countries. The database can support investigations into trans-shipment, evasion of anti-dumping or countervailing duties, misrepresentation of the country of origin, exporter or container swapping, and undervaluation fraud.
- **Vessel and maritime information** (source: Lloyds). This provides information on vessels and movements and supports risk analysis and intelligence related to worldwide commercial vessel operations. The database is used to cross-check the origin of goods in containers, detect potentially suspicious import transactions and risky shipments and develop risk profiles.

The total budget for the procured access set out in the AWPs between 2021 and 2023 was EUR 3 469 329, and the amount spent was EUR 2 517 760[71]. The procurement is based on framework contracts with those companies owning the respective databases.

The number of users and the usage rates were stable between 2021 and 2023. The latest user statistics (2023 data) for the three databases are presented in the table below.

Table 6: User statistics for the three databases

Database	Users/accounts	Activity
Worldwide companies information	68 user accounts	About 3 000 logins/year
Global trade statistics	750 user accounts	About 5 500 logins/year
Vessel and maritime information	40 user accounts	About 8 000 visits/year

Source: ICF analysis of data provided by OLAF

User surveys have been carried out on an annual basis. Overall, customs and investigative authorities have pointed out that the **databases are useful tools** supporting their daily

[70] Information collected from the PIF Report - 2022.
[71] Interview with OLAF. Information provided by OLAF.

operations (9 out of 27 Member States responded to the 2024 survey; the survey is managed with open questions, and quantitative results are not available).

Users also indicated that the external databases provide **complementary data** and are used in combination with the internal applications hosted in AFIS, such as CSM, or with national databases[72].

3.3 Association agreement between the EU and Ukraine on participation

3.3.1 Scope of the association

According to Commission Decision C(2024) 760 of 12 February 2024 on the approval of an agreement between the EU and Ukraine on the participation of Ukraine in the UAFP ('the Commission Decision')[73], '*Ukraine will participate as an associated country in and contribute to all parts of the programme referred to in Article 2(2), point (a) of Regulation (EU) 2021/785. This is subject to the condition that the applicable legal requirements, the nature or the scope of the actions financed allow for third-country participation.*

This association does not affect the possibility for Ukraine to participate in certain operational activities under Article 2(2), points (b) and (c) of Regulation (EU) 2021/785. The conditions for such participation are governed by the applicable legal framework.'

3.3.2 Terms and conditions of participation in the Union anti-fraud programme (excerpts of the related Commission Decision)

According to Article 2(1) of the Commission Decision, '*Ukraine shall participate in the programme in accordance with the conditions laid down in Protocol III on a Framework Agreement between the European Union and Ukraine on the General Principles for the Participation of Ukraine in Union programmes and under the terms and conditions set forth in this Agreement, in the legal act referred to in Article 1 of this Agreement, as well as in any other rules pertaining to the implementation of the programme, in their most up-to-date versions.*'

Article 2(2) of the Commission Decision states that, '*unless otherwise provided for in the terms and conditions referred to in paragraph 1 of this Article, legal entities established in Ukraine may participate in actions of the programme under conditions equivalent to those applicable to legal entities established in the Union, including respect for EU restrictive measures.*'

[72] User feedback and survey results provided by OLAF.

[73] Commission Decision of 12.2.2024 amending Decision C(2023) 6114 on the approval of an Agreement between the European Union and Ukraine on the participation of Ukraine in the Union anti-fraud programme, C(2024) 760, 12.2.2024.

It has also been decided that English shall be used for the procedures related to requests, contracts and reports, as well as for other administrative aspects of the participation of Ukraine in the programme.

This participation entered into force retroactively on 1 January 2023, allowing Ukraine to file applications for funding, among other things, in relation to the Hercule component, covering technical assistance as well as training opportunities to be funded.

So far, Ukraine has filed applications for funding in the following areas of eligible actions of the programme:

- one application for financial support in the field of technical assistance in 2023: the application was unsuccessful, and the grant was not awarded due to a lack of sufficient budget;
- five applications for financial support in the field of technical assistance in 2024: following the evaluation of the applications and the scoring, one is considered eligible for funding under the 2024 call.

3.4 Eligible actions of the UAFP – Hercule component

Only actions implementing the objectives of the programme are eligible for funding. Regardless of any other action provided for in the AWPs under Article 11 of the UAFP Regulation, the following actions may be considered eligible for funding (in 2024):

- provide technical knowledge, specialised and technically advanced equipment and effective IT tools leading to closer transnational and multidisciplinary cooperation and cooperation with the Commission;
- improve staff exchanges for specific projects, provide the necessary support for these exchanges and facilitate investigations, in particular by setting up joint investigation teams and cross-border operations;
- provide technical and operational support for national investigations, in particular for customs and law enforcement authorities, to step up the fight against fraud and other illegal activities;
- build IT capacity in the Member States and third countries, increase data exchange and develop and provide IT tools for investigating and monitoring intelligence work;
- organise specialised training, fraud analysis workshops, conferences and studies to improve cooperation and coordination between departments responsible for protecting the financial interests of the EU.

Where the action to be supported involves the purchase of equipment, the Commission must ensure that the funded equipment is appropriate for contributing to the protection of the EU's financial interests. This is verified before granting funds to the project by an evaluation

committee that checks the submitted project proposals by applicants on, among other criteria, their eligibility and EU added value.

In addition, the appropriateness and efficient use of the equipment purchased is verified through the received (*ex post*) reporting by the beneficiaries to the Commission (OLAF) and by planned visits at the premises of the beneficiaries.

Such on-the-spot visits took place in the first quarter of 2024, involving three beneficiaries from a Member State. The verifications included an assessment of whether: (i) the purchased equipment was in line with the description of the action; (ii) the costs declared were in line with the invoices incurred by the beneficiary during the period provided in the grant agreement and recorded in the beneficiary's accounts; (iii) the equipment was present at the declared location, in working order and used; and (iv) the operators were trained or certified (where relevant) and able to use the equipment.

No error was detected during these verifications. The grant beneficiaries gave positive feedback about the programme, especially related to:

- the focus on purchasing equipment and allowing a selection of state-of-the-art technology, which is needed in a fast-moving technological and fraud environment;
- the absence of requiring an EU partner, which limits the administrative burden;
- the swift assessment and award of grant files.

3.5 Eligible entities – Hercule component

According to Article 10(1) of the UAFP Regulation, the complementary eligibility criteria set out in the Regulation apply, in addition to the criteria set out in Article 197 of the Financial Regulation. This means that, as specified in Article 10(2) of the UAFP Regulation, the following **entities are eligible** under the programme:

a) **public** authorities that can contribute to achieving one of the objectives referred to in Article 2 of the Regulation and are established in:

i. a Member State or an overseas country or territory linked to it;

ii. a **third country associated to the programme**;

iii. a third country listed in the work programme under the conditions specified in paragraph 3;

b) research and educational **institutes** and **non-profit-making entities** that can contribute to the achievement of the objectives referred to in Article 2 of the UAFP Regulation, provided that they have been established and have been operating for at least 1 year in:

i. a Member State;

ii. a **third country associated to the programme**;

iii. a third country listed in a work programme under the conditions specified in paragraph 3;

c) any legal entity created under EU law or any international organisation.

Moreover, according to Article 10(3) of the UAFP Regulation: '*Entities referred to in paragraph 2 established in a **third country** that is **not associated** to the programme are exceptionally eligible under the programme where this is necessary for the achievement of the objectives of a given action. Such entities in principle bear the cost of their participation, except in cases that must be duly justified in the AWP*'.

3.6 Implementation of the Irregularity Management System (IMS) and the Anti-Fraud Information System (AFIS)

Like AFIS, IMS is not a financing programme supporting grantees' projects. Its main role is to facilitate reporting detected cases of irregularities and of suspected or established fraud in the implementation of EU funds. The system is used by EU Member States and other beneficiaries (spread over 34 countries and used by 789 organisations and over 3 230 registered users as of March 2024)[74].

IMS is perceived by users and stakeholders as a useful reporting and tracking tool having, in particular, on the one hand, the following strengths:

- it is the only IT system in the EU where data on past and closed cases of irregularities are collected and can be searched;
- IMS provides contextual information on irregularities and on the state of the fraud identified in the Member States, candidate countries and third countries;
- IMS provides a standardised tool to collect data on irregularities;
- most users find the system reliable and user-friendly, highlighting features like the visibility of data, the ability to download it and the availability of data in all EU languages;
- the IMS interfaces with national databases and can support automatic data transfer.

On the other hand, the evaluation identified certain IMS weaknesses related to technical properties and the management of the system, and also to the way users were entering data in the system. Additionally, there is a need to ensure the quality of data because **not all cases were entered into the system** (which obviously depends on the identifying partner country) and not all information on the cases was available (completeness, depending on the partner again). The input of data by different users in distinct Member States, regions, etc. was not

[74] Data provided by OLAF (IMS team).

always consistent, homogeneous or coherent (reliability and consistency). The data were not always up to date with the most recent developments (promptness).

The technical weaknesses that were mentioned, i.e. issues related to authentication, difficulties when searching for information and time-consuming checks of irregularities, insufficient communication on updates and improvements to IMS, and insufficient guidance on which information to enter, have largely been tackled by the very recent October 2024 IMS release, striving to solve the mentioned issues in the near future (as training and further guidance is still ongoing).

There are no penalties for countries that fail to fully report. This may – to a certain extent – explain the system's lower rate of use by contributing authorities. OLAF investigators and selectors and Commission users from shared management programmes also use data from the IMS to a relatively low extent. This stems from the issues already mentioned as well as a lack of awareness of how the system works and what it can offer.

3.6.1 Implementation – 2023

The IMS operates under the AFIS platform. The common information system requires stable financing over time to ensure its sustainability.
The UAFP finances the IMS. Through this component, the UAFP allocated EUR 7 000 000 for 2021-2027 and EUR 985 119 for 2024. The aim is to support reporting irregularities, including fraud, of the shared management funds and pre-accession assistance funds of the EU budget.

The implementation is reported on for the **most recent** period, in this case 2023, as reported in 2024 by the Commission.

3.6.2 Main activities

To protect the EU's financial interests, EU law requires Member States managing EU spending under shared management and countries benefiting from pre-accession assistance to notify the Commission of any irregularities (including suspected and proven fraud) detected in areas where the EU provides financial support (see list in Chapter 2.1.1.5).

To facilitate the reporting of irregularities, the IMS has been developed and put at the disposal of the Member States and other beneficiary countries. This dedicated electronic system is being used by **34 countries**.

Member States, candidate countries and other non-EU countries have set up a hierarchical reporting structure with multiple levels of responsibility. Around **750 reporting organisations**, covering **over 3 000 IMS users**, are responsible for the timely reporting of irregularities.

The reporting workflow includes multiple hierarchical levels and various roles within the same level to ensure that several quality checks are performed before the reports are sent to the Commission.

Reporting authorities provide information on:

- who committed the irregularity/fraud (persons involved);
- the support measure such as fund, programme, project, budget line;
- the financial impact (expenditure and irregular/fraudulent amount);
- how the irregularity/fraud was committed;
- when the irregularity/fraud was committed;
- where the irregularity/fraud was committed;
- how the irregularity/fraud was detected;
- what administrative, judicial or penal follow-up sanctions were imposed.

3.6.3 IMS – budgetary implementation

The 2023 AWP had a budget of EUR 959 783 dedicated to IMS maintenance, IT development and studies. The full available amount for 2023 was committed. The total indicative budget for this component for 2021-2027 is EUR 7 million.

3.6.4 Maintenance and development

In 2023, eight releases were launched. Features included allowing IMS users to manage and monitor EDES[75]-hits, adding case summaries and descriptions of codes, improving the B2B services and fixing a number of identified issues.

3.7 IMS developments

Overall, the IMS is perceived by users and stakeholders as a useful tool for reporting and tracking irregularities and fraud. The strength of the IMS lies in its facility to search for past and closed cases, which enables tracking irregularities. Another strength of the IMS is that the system is considered to be reliable and provides users access to the information they enter.

The IMS is the only EU system where such data are collected. For some EU Member States, it is also the only tool to gather such data and where that data can be consulted. This means that it is a unique system, sometimes even at national level. The data gathered provides the main source of knowledge about the scale and impact of detected fraud and irregularities tracked and reported through annual PIF reports.

[75] The Early Detection and Exclusion System (of the Commission).

Some users highlighted **challenges** related to authentication, difficulties in searching for information, time-consuming checks of irregularities, insufficient communication on updates and improvements in the IMS, insufficient guidance on which information to enter, the need to better reconcile information in the IMS with other IT tools, and the need to ensure the quality of data.

In addition to the **challenges** with how the tool itself works, broader issues connected to the tool relate to a lack of sufficient knowledge and training among some users preventing them from using the tool effectively.

There is also a need to modernise certain aspects of the IMS user interface to improve the overall user experience. Furthermore, there was a relatively low usage rate of this data across OLAF investigators and selectors (who evaluate the merits of new incoming information for opening investigations) and Commission users from shared management programmes. This low rate was attributed to a low awareness of what the system is and does, how to use it and find the cases of interest in the system, and how to reconcile the information with other data sources and IT systems.

In the respective annexes to the annual PIF reports published, figures do not include third countries (including pre-accession countries) or direct expenditure irregularities.

The number of irregularities reported as 'fraudulent' measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures **should not be interpreted** as indicating the **level of fraud** in Member States.

In 2019, 11 726 irregularities were reported to the Commission (OLAF), involving a total amount of approximately EUR 1.6 billion. Of these irregularities, 939 were reported as fraudulent, representing an amount of approximately EUR 444 million (not taking into account the amount reported as fraudulent by the UK, which was about EUR 2.3 million)[76].

In 2021, 10 232 irregularities were reported to the Commission, involving a total amount of approximately EUR 3.2 billion. Of these irregularities, 948 were reported as fraudulent, representing an amount of approximately EUR 1.8 billion for EU-27[77]. This much higher amount includes an amount of EUR 1.4 billion on the expenditure side, reported by one Member State in 2021.

[76] Source: European Commission (2020), 31st Annual Report on the protection of the European Union's financial interests - Fight against fraud – 2019 (COM(2020) 363) (PIF Report 2019), https://anti-fraud.ec.europa.eu/document/download/cbf4c2bc-1217-4123-a3b0-a7cbb9355931_en?type:pdf.

[77] Source: European Commission (2022), 33rd Annual Report on the protection of the European Union's financial interests and the Fight against fraud – 2021 (COM(2022) 482), https://anti-fraud.ec.europa.eu/document/download/ac7fe82e-c7df-44c0-8df7-277f73032d4b_en?filename=pif-report-2021_en_0.pdf.

In 2023, 12 240 irregularities were reported, involving a total amount of approximately EUR 1.8 billion (EU-27). Of these irregularities, 988 were reported as fraudulent, representing an amount of approximately EUR 564.3 million for EU-27[78].

Between 2021 and 2023, the overall number of reported irregularities increased by 19.6%, after having decreased between 2019 and 2021. Between 2021 and 2023, the number of irregularities reported as fraudulent increased by 4%.

3.8 The Anti-Fraud Information System – Implementation

Unlike the Hercule component, AFIS does not provide applicants with financial support to develop projects. Its main objective is to facilitate the exchange of fraud-related information between national and EU administrations.

The effectiveness of its implementation can be evaluated by its output (e.g. the number of new applications developed, the number of upgrades performed or features added and the number of mutual assistance activities, such as joint customs operations supported).

A **key performance indicator** for AFIS is the number of information items on mutual assistance made available. For assessing the **impact** of AFIS output, the key indicator is the level of satisfaction of AFIS users as measured by **periodic user surveys**. The results from the latest survey in 2023 are compared with the results from the previous one (in 2019) in the table below.

The AFIS budget performance is determined by the OLAF-set indicator, which reflects the amount of mutual assistance information made available and the number of supported mutual assistance-related activities. For 2021-2023, the targets for this indicator were exceeded. The AFIS budget also contributed to improving mutual administrative assistance among customs authorities in the EU. It supported, between 2021 and 2023, a total of 35 joint customs operations and helped organise training sessions for key AFIS applications, such as CIS, VOCU, CSM and AMT[79].

3.9 Implementation of the UAFP in 2023

The implementation of the programme is reported on for the most recent period, in this case 2023, as reported in 2024 by the Commission.

Through this third component of the programme, the UAFP allocated EUR 60 million for 2021-2027 to AFIS, of which EUR 8 445 091 has been allocated for 2024. The aim is to

[78] Source: European Commission (2024), 35th Annual Report on the protection of the European Union's financial interests and the Fight against fraud – 2023 (COM(2024) 318, 25.7.2024).
[79] Data provided by OLAF (AFIS team).

provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters.

This component of the UAFP also covers the cost of using the Customs Information System (CIS) provided for in instruments adopted under Article 87 TFEU, in particular in Decision 2009/917/JHA, given that those instruments state that such expenditure is to be borne by the general budget of the EU. The Customs Information System is an automated information system. It helps Member States prevent, investigate and prosecute activities that are in breach of customs or agricultural legislation. It does so by increasing, through faster dissemination of information, the effectiveness of the cooperation and control procedures of the customs administrations whose remit covers such activities.

The AFIS platform launched 44 releases, consisting of several combined application releases. A new version of the Import, Export and Transit directory (IET) and several other application releases and fixes were developed in 2023, totalling more than 110 releases. Among these were several major releases:

- a new version of the Import Export and Transit directory that allows users to carry out advanced searches, set alarms and export data (e.g. in Excel format) on imports, exports and transits;
- two new versions of the Container Status Message directory implementing visual analytics for container trips and the new Container Origin Signals module, which signals potential origin fraud;
- an improvement to the anti-fraud analytics platform, providing extended computing resources, improved access, added data sources and enabling OLAF analysts to combine customs and trade data from different sources and conduct advanced analysis.

In 2023, AFIS also provided technical support to 13 joint customs operations' meetings.

The 2023 user survey confirmed that AFIS remains a useful tool for its end users, and that AFIS is able to deliver functioning tools for information exchange in its dedicated area of action. Two thirds of the survey respondents believed that the applications available in AFIS are up-to-date tools that help tackle the latest trends in fraud and related irregularities.

The percentage of users who are satisfied with the functionality and performance of the various AFIS applications remains high (with the most frequently used applications scoring satisfaction rates above 80%). There are some **minor** differences compared with the results of the 2019 AFIS satisfaction survey (see Table 7 hereafter).

Table 7: Comparison of the 2023 AFIS satisfaction survey with the 2019 survey (key applications)

Indicator	AFIS 2019 result	AFIS 2023 result	Change % points
Number of responses (total)	799	1 320	+65%
Helpdesk (availability/ performance)	92% / 89%	93% / 90%	+1 / +1
AFIS Mail (functionality/ performance)	87% / 86%	86% / 86%	-1% / =
CIS + (functionality/ performance)	85% / 86%	83% / 86%	-2% / =
CSM (functionality/ performance)	91% / 92%	87% / 88%	-4% / -4%
General opinion (relevant to professional needs – agree/slightly agree)	57% / 27%	59% / 23%	+2% / -4%

Source: AFIS satisfaction survey 2019 and 2023 (N=1320)

3.10 AFIS – developments in the past decade[80]

As AFIS is not a financial programme, it has not been subject to the corresponding (programme) evaluation cycles. Nevertheless, there is a set of indicators that can help evaluate the performance of the related operational activities[81].

In particular, OLAF's Internal Audit Capability (IAC) conducted an audit to assess the performance of AFIS in 2013 and 2014. Its 2014 report[82] confirmed the efficiency and effectiveness of AFIS and the adequacy of the management and coordination mechanisms. It concluded that stakeholders considered the quality of AFIS services as satisfactory to highly satisfactory.

[80] Source: Commission staff working document (Staff Working Document, SWD(2013) 428, 15.12.2023), Evaluation of 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 agricultural matters.

[81] Notably on the basis of the Commission annual reports on AFIS activities (pursuant to Art. 51a of Council Reg. 515/97) as part of the Commission report on the protection of the EU's financial interests (PIF Report).

[82] Audit report on performance audit of AFIS, Ares(2014)2592647 (OLAF internal document).

Overall, already back in 2014, the operational activities under AFIS were a valuable support to Member States' and the Commission's operational and investigative work, which aimed to detect customs infringements, recover customs duties and improve customs cooperation in the anti-fraud area. The efforts made before in addressing identified **shortcomings** have contributed to increasing the level of trust, participation and satisfaction of Member States' competent authorities.

More specifically, the permanent physical (Permanent Operational Coordination Unit – POCU) and IT infrastructure (Virtual Operation Coordination Unit – VOCU) for the support of JCOs has been regularly used by the Commission, Member States, third countries and organisations on many occasions.

The evaluation reports submitted after the completion of JCOs show that this physical structure and AFIS application strongly facilitate the coordination tasks associated to JCOs with a large number of participants. Their use is frequently recommended in the evaluation of these operations. The fact that these facilities are also frequently used for operational activities in the area of law enforcement cooperation (free of charge for the participants) is additional proof of Member States' appreciation of the AFIS.

Importantly, covering the expenses for transport, accommodation and daily allowances for representatives from Member States attending training courses and meetings related to investigative and operational actions, including JCOs, has proven to be critical in securing the participation of a large number of Member States in these initiatives[83].

Following Member States' recommendations provided at workshops organised by the Commission, OLAF has strengthened, between 2014 and 2018, the involvement of Member States in all stages of development of new or updated AFIS applications, aiming to improve its use and user satisfaction. This was the case during the update of AFIS VOCU[84], AFIS Mail[85], Customs Information System (CIS)[86] and IMS[87], which involved a large number of Member State participants in the above-mentioned workshops. As a result of this

[83] Annex I of the UAFP Regulation provides for an indicative list of costs referred to in Article 5(3) that the UAFP will fund for actions carried out in line with Regulation (EC) No 515/97.

[84] VOCU: four workshops, with participants from: Belgium, Bulgaria, Germany, Spain, France, Ireland, Italy, Malta, the Netherlands, Portugal, Slovakia, and the United Kingdom on 15 & 16 May 2012, 29 & 30 April 2013, 4 & 5 June 2013 and 6 & 7 June 2013.

[85] AFIS MAIL: two workshops, with participants from: Germany, Denmark, Spain, France, Malta, the Netherlands, Portugal, and the United Kingdom on 5/6 February 2015 and 2 June 2015.

[86] CIS: six workshops, with participants from: Austria, Germany, Denmark, Spain, France, Greece, Hungary, Italy, the Netherlands, Poland, Portugal, and the United Kingdom on 15 March 2016, 6 December 2016, 6 April 2017, 5 October 2017, 27 October 2017 and 15 March 2018.

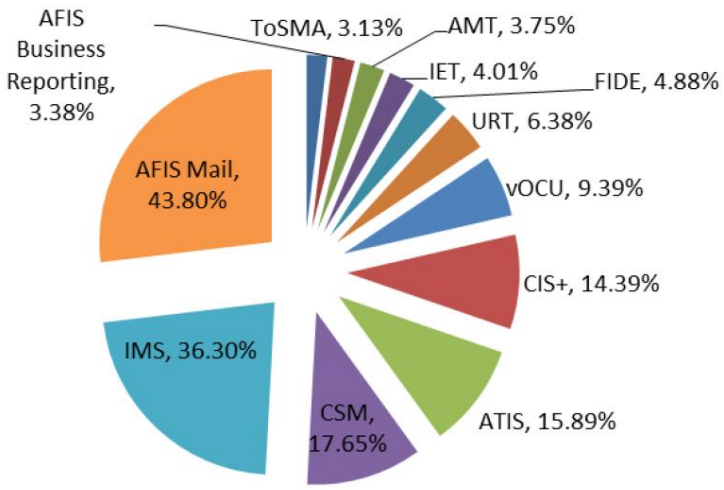
[87] IMS: one workshop took place during the development of IMS5 in which participants of 17 Member States and one candidate country participated (16 October 2014 and 3 February 2015). The four IMS5-training sessions (October – December 2015) were attended by representatives of all (28) Member States.

collaboration, Member States' acceptance and use of these applications significantly improved, along with an increase in the size of these user communities.

In terms of AFIS and IMS, as IT platforms being directly managed by OLAF, they were not subject to the same evaluation process as the Hercule III programme (as they were not part of the programme at the time). As such, there is limited data on their use in the years before their integration into the UAFP. Nevertheless, some evaluative evidence exists.

Results from the 2019 AFIS satisfaction survey showed that most of the applications were evaluated positively by the participants of the survey in terms of both functionality and performance, with satisfaction rates often exceeding 80%[88]. On the available training options, one third of the participants declared that they used at least one of the training options on the AFIS Portal, and most of them (more than 67%) identified the user portal manuals as their main training source for the AFIS Portal and its applications.

Figure 7: 2019 AFIS survey: Distribution among the AFIS applications based on measuring their regular use



3.11 AFIS budget evolution between 2014 and 2023

The total indicative budget for this component for 2021-2027 is EUR 60 million. The 2021 budged reached EUR 8.89 million and was 19.3% higher than in 2020 due to specific IMS funds included in 2021.

In 2021, AFIS was allocated an amount of EUR 7 964 000 for the first working year. However, from this budget allocation, EUR 2 775 704.46 had already been committed under

[88] OLAF (2020). AFIS Survey 2019, Summary Report.

Commission Decision C(2021)2120 of 7 April 2021 on the **interim** financing of the AFIS and the adoption of its 2021 work programme[89].

That Decision was then repealed with effect from 17 May 2021 (the day on which the Regulation establishing the UAFP entered into force) but did not affect the actions initiated under that Decision. This legal arrangement was necessary to cover the financing of the AFIS between 1 January 2021 and 29 April 2021 when the Regulation was adopted.

For 2021, this left a budget of EUR 5 188 295.54 available for the remainder of the 2021 AFIS work programme. EUR 8 445 091 has been allocated to AFIS for the year 2024. This is an increase of 6.04 percentage points, compared to 2021.

4 EVALUATION FINDINGS (ANALYTICAL PART)

This Chapter presents a summary of the main evaluation findings, following the analysis and triangulation of the evidence collected by the external study by ICF. To keep the reporting here succinct, the questions, responses and analysis are described in full detail in Annex III.

4.1. To what extent was the intervention successful and why?

This section summarises the analysis presented in the study in relation to the three criteria of **effectiveness, efficiency and coherence**, covering the three programme components.

The intervention is considered to have been, within the budgetary limitations, (very) successful during the period covered by this evaluation. The evaluation study has been able to confirm that the technical assistance (purchase of equipment) and training actions, as well as procured activities, that have been funded and provided under the UAFP, have been effective or could still be effective in improving the prevention, detection and investigation of fraud and other illegal activities detrimental to the EU's financial interests.

So far, the study has indicated that **activities supported under the three components of the UAFP make the following indirect, yet successful contributions to limiting the exposure** of the EU's financial interests to fraud, corruption, and other illegal activities.

In relation to the 'Hercule' component, it was demonstrated that the technical assistance projects **boost the capacity** of enforcement agencies to investigate or prevent the known exposure by providing up-to-date technological and knowledge resources to combat fraud and irregularities. With regard to the training actions, publications, and studies supported by the UAFP contribute to **improving the capacity** of customs and enforcement agencies' staff and **developing the knowledge base** needed for combating fraud, corruption and other illegal activities.

[89] Commission Decision C(2021)2120 of 7 April 2021 on the interim financing of the Anti-Fraud Information System and the adoption of the work programme for 2021.

The evaluation has shown that activities supported by the UAFP have contributed to a significant extent to the improvement of the beneficiaries' work (claimed by 77% of consulted beneficiaries). Beneficiaries also point out that the programme has significantly contributed to the improvement of their investigative capacity (84%), operational capacity (69%) and technical capacity (71%).

All consulted beneficiaries agree that the projects supported by the programme have contributed to them acquiring new skills and knowledge of specialised methodologies.

The evaluation has allowed for a number of **challenges** to be identified during the implementation of the programme, described as follows:

- The Commission's application platform, particularly the reporting platform, were perceived by some beneficiaries as not being sufficiently user-friendly. In general, beneficiaries complained that they had to call technical support to understand how the platform works.
- Potential applicants are not automatically alerted electronically when a new call is published. Several groups and networks of stakeholders are informed by OLAF through different communication channels when calls are published and are asked to send the information to their colleagues and members in their organisations. Beneficiaries appreciated, however, that the calls follow a regular cycle.
- Beneficiaries have expressed an interest in being informed about similar projects that are being implemented. This request was addressed in 2022 and 2023 when OLAF organised workshops where beneficiaries attended and also presented their own projects.
- In projects where advanced technology is to be procured, between the time of application and the time of procurement, technological advancements may make the technological solution envisaged in the application less useful. Prices may also change significantly during this timeframe.
- The importance of ensuring, as much as possible, interoperability between the AFIS applications and with other systems of customs relevance, in particular the support of searches across different AFIS databases and systems, was particularly underlined by Member States. In the specific field of analysis, the creation of an AFIS data lake to enhance the exploration of the information stored in the various AFIS customs applications was recommended.
- A number of possible (AFIS) improvements were indicated, such as the creation of working groups and the organisation of workshops dedicated to the sharing of experiences and best practices, the need for additional on-line AFIS training materials and training packages for specific purposes, as well as the organisation of AFIS trainings on a more regular basis, including training dedicated to specific areas such as analysis.

The evaluation, also based on the 2023 AFIS user survey, confirmed that **AFIS remains a useful tool for its end users**, and that AFIS is able to deliver functioning tools for

information exchange in its dedicated area of action. The evaluation has shown that AFIS supports customs officers in the timely exchange of up-to-date information to prevent fraud.

As for **IMS, this tool supports successfully** the timely exchange and sharing of irregularities information, enabling its users to use agencies' past experiences in drawing up fraud preventive measures. The 2023 AFIS satisfaction survey contained questions on the functionality and performance of IMS for which the satisfaction rate was approximately 91%[90]. This compares very favourably to the 2019 results, showing an increase now with 19 percentage points.

The IMS and its associated specific objective have been relevant to achieving the general objective of protecting the EU's financial interests as the IMS is showing encouraging signs of being a useful tool for Member States to report irregularities and contribute to the broader fight against fraud.

At the same time, interviews with several IMS country managers revealed certain areas for **improvement**. For instance, some forms have too many fields, and these fields sometimes have confusing descriptions.

The ongoing **upgrading of IMS (Q4 2024) has not yet been able to identify a measurable improvement to the user experience yet**, while users are increasingly expected to report more data and to improve the quality of the existing data. These issues may also affect their satisfaction levels. This is not purely an OLAF/IMS issue but reflects a general greater 'overall' demand for data to be registered, reported and exchanged for various purposes, including accountability.

With regard to the evaluation of the programme in relation to the **efficiency** criterion, an integral **benefits and costs analysis** has been presented in detail in Annex IV.

The analysis done suggests that **the implementation of, and the participation in the programme can be considered to be an efficient use of resources based on a (partial) cost-benefit analysis**. However, the data available at this interim stage of the programme does not make it possible to produce a complete, quantitative mapping of programme costs and benefits or to monetise all costs and benefits for direct comparison with one another. For this reason, the comparison between costs and benefits has been primarily made (in the external study) on a **qualitative** basis.

[90] AFIS satisfaction survey (2023). The satisfaction rate of IMS users is a combination of the satisfaction rate of functionality and performance of the application after the removal of the 'I do not know' responses. This approach was adopted to match the approach currently taken by OLAF in assessing satisfaction with IMS.

Concerning the **efficiency of the administrative processes of the Hercule component**, **three sub-sections** can be considered, i.e. the application procedure, the project implementation period and the budgetary flexibility.

The application procedure for grants under the Hercule component of the current UAFP is found to be highly efficient based on consultations with applicants. The set-up of the current application process shows it has taken on board the feedback received during the final evaluation of the Hercule III programme (end of 2021).

The final evaluation suggested some **improvements to make** the application process more efficient for the benefit of the applicants. The final evaluation found the application procedures **more efficient than the previous evaluation period** (mid-term evaluation of 2018) because applicants took less time to prepare their application, compared with the previous Hercule programmes. However, the 2021 final evaluation recommended improving the application process by providing **additional and more refined guidance** to applicants on how to adequately fill in the application form because applicants had incurred human resources costs, allocating civil servants or staff to proceed and help with the application[91].

This **cost aspect (time and human resources)** of the application procedure, however, was not found to be as severe as to deter applicants from applying to the programme. Nevertheless, the 2021 Hercule III final evaluation recommended providing sufficient information to applicants (Recommendation 9.1), such as through best practices and example boxes directly in the online application form. It also recommended setting up a platform or appointing a contact person to answer questions (Recommendation 9.2) and organising an annual workshop or seminar focused on the application process (Recommendation 9.3). Lastly, it recommended that the application procedure should avoid ambiguous questions (Recommendation 9.4).

These **recommendations have since all been implemented** in the current UAFP. Most of the applicants[92] found the guidance and instructions provided to prepare the application clear and readily available[93]. The call documents[94], published under each annual work programme,

[91] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

[92] Survey of applicants and beneficiaries, Question 9. The vast majority of successful applicants and applicants that are waiting to know if their application was successful were very satisfied or satisfied with the availability and clarity of instructions and guidance for preparing the application: 26 out of 29 respondents were very satisfied or satisfied with the availability and clarity of instructions and guidance to help them prepare the application form.

[93] Survey of applicants and beneficiaries, Question 9.

[94] OLAF (2023) Union Anti-Fraud Programme (EUAF) Call for proposals Technical Assistance (EUAF-2023-TA) Training, Conferences, Staff Exchanges, and Studies (EUAF-2023-TRAI). Available at:

provide a clear overview of the projects eligible for funding and present the eligibility criteria clearly. Furthermore, each call is now accompanied by an online manual for proposal preparation and submission, which is easy and intuitive to navigate.

Applicants can also receive support if they have technical difficulties, through the Portal Submission System, as well as with specific non-IT related questions for which two different email addresses are available. Only a minority of stakeholders would have liked to see even more guidance: this is particularly the case for researchers who stated they had not received adequate support from their own institution when preparing the application, which is beyond the Commission's influence or control.

In terms of **procedural efficiency**, the application procedure has proven to be efficient by avoiding requesting the same information several times throughout the application process: most survey respondents stated that they were not asked to input the same information several times, which would have added unnecessary administrative and time-consuming steps[95].

The fact that the application form and process require information relevant to the objective of evaluating the project (therefore avoiding unnecessary and resource-consuming steps, documents or additional administrative steps) confirms the high efficiency of the application[96]. Therefore, the administrative and financial requirements are overall proportional and reasonable[97].

The in-depth interviews with stakeholders have revealed **some points for further improving the application process** in the Hercule component (technical assistance and training part). First, **accessibility** and **inclusion** needs to be improved. Some applicants with visual impairments, for example, are unable to access the application platform because Oracle platforms do not support all screen-reading software. Although the portal is very easy to use for most people, the general ease of access for people with disabilities should be examined (although this is a technical feature, which does not fall under the remit of OLAF)[98].

Second, several stakeholders indicated that the **application process should be tailored to how large and complex** the project is, which would simplify the procedure for smaller

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/euaf/wp-call/2023/call-fiche_euaf-2023-ta_euaf-2023-trai_en.pdf.

[95] Survey of applicants and beneficiaries, Q9. 17 out of 28 survey respondents were very satisfied or satisfied with this aspect of the application process. This result is corroborated by the analysis of the available documentation. Only a minority of stakeholders consulted found some redundancies in the information asked.

[96] Survey of applicants and beneficiaries, Q9, 26 out of 29 respondents were very satisfied or satisfied with the relevance and proportionality of the information required. This result is corroborated by the analysis of the available documentation.

[97] Survey of applicants and beneficiaries, Q9.

[98] Interview with beneficiary and case study on digitalisation.

projects[99]. This request may however encounter some technical issues with regard to the existing templates for filing an application, as well as issues of equal treatment.

The proportion of successful applicants increased considerably between 2021 and 2023, implying that less time is lost by applicants on unsuccessful applications[100]. This increase in efficiency may have been driven by the procedural changes to the online application process and by the two workshops organised by OLAF in 2022 and 2023 with potential applicants and past beneficiaries (the workshops included updated guidance on the application process).

With regard to the second sub-section of the project efficiency evaluation, namely the 'Hercule' **project implementation period**, half of the beneficiaries of technical assistance (TA) under the UAFP Hercule component, who were surveyed for this evaluation, reported that UAFP funding has contributed to their project achieving notable outcomes and results[101]. This finding needs however **further validation**, which should be through evidence from any available data on the (later) reported results of the finalised projects and their costs of implementation.

In this context, the Commission (OLAF) refers to the examples given in the specific annex to the annual PIF report, i.e. the 'Annual Overview on the implementation of the UAFP' (per year).

The financial support provided via the TA component has so far led to significant or very significant cost savings in a third of the cases and to some cost savings in almost half of the cases[102]. In terms of resources, in a **minority** of cases, the funds and resources made available were not enough to support implementing the action[103]. This may have been due to budgetary planning or other factors, which have not been possible to identify based on the available data.

The grants received have allowed agencies to increase their operational and investigative efficiency. The purchase of equipment, for example, allows them to save time in extracting and analysing data for criminal proceedings[104]. Therefore, beneficiaries noted that the **improved capacity and capabilities will not only allow them to be more efficient** in carrying out operations in their countries but will **also make them better equipped to**

[99] Interviews with beneficiaries.
[100] PIF report 2022.
[101] Survey of applicants and beneficiaries, Q 10(2), 50% of the respondents claim that the amount of available funds and resources supported their intervention and contributed to the achievements of the project.
[102] Survey of applicants and beneficiaries, Q 15(4): 7.7% of beneficiaries rated the cost savings as very significant, 23.1% as significant and 46.2% as somewhat significant. According to 23.1%, the cost-saving was not significant at all.
[103] Survey of applicants and beneficiaries, Q 11(2), 21.4% of the respondents claim that the amount of available funds and resources supported their intervention and contributed to the achievements of the project.
[104] Interview with beneficiaries and case study on investigative capacity.

respond to requests for mutual assistance and joint investigations with EU partner agencies[105].

As for the **programme's budgetary flexibility**, the grant agreement gives beneficiaries a good degree of budgetary flexibility[106]. After receiving the grant, applicants can request to make changes to the budget breakdown by transferring budgetary resources between participants and between budget categories (as long as this does not involve any substantive or significant change to the description of the action)[107]. Interviewees who have made use of the budgetary flexibility were satisfied with this aspect of the UAFP, which allowed them to change some aspects of the project without having to complete a formal project amendment[108].

The budgetary flexibility in these cases **increases the projects' efficiency** since it reduces the administrative burden for beneficiaries. Commission (OLAF) programme managers and financial officers do note an increasing workload due to a higher number of requests for changes within projects and/or of their budgets in recent years.

A **third and final evaluation criterion** tackled under this first evaluation question on the **successfullness** of the programme, is the assessment of the **programme's coherence**. This assessment focuses on two aspects, namely the internal and the external coherence (or consistency) of the UAFP and its interventions.

The **internal coherence** assessment examines the extent to which the three components (Hercule component, AFIS component and IMS component) and the different types of actions of the UAFP are sufficiently clear and coherent with one another and do not contradict but rather support each other's implementation by creating synergies.

The **external coherence** or consistency explores the extent to which the interventions of the UAFP are in line with other relevant legislative and policy instruments and interventions taken at EU level. Several other EU programmes mentioned below were selected for the in-depth analysis of coherence, as indicated in the following sections.

The coherence assessment has been based on the results of desk research (external study), including the analysis of the UAFP Regulation and other programmes with similar objectives, and is informed by the analysis of stakeholders' views (interviews and surveys).

In particular, interviews were carried out with beneficiaries and with a number of Commission departments to gather input on internal coherence and the external coherence of

[105] Case study on investigative capacity.
[106] Section 5.4 of the grant agreement form.
[107] Internal overview of grant agreements.
[108] Interviews with applicants.

the UAFP with other EU programmes, focusing on potential duplication (financial overlap/double funding) and synergies (complementarity).

Information provided by stakeholders on coherence based on the survey for applicants – including beneficiaries – was cross-referenced for this assessment.

The research also looked at the calls for proposal and the projects funded under the UAFP and other EU initiatives. However, their broad description does not make it possible to highlight any major duplication, assuming they exist.

Based on the analysis of the relevant programmes as well as the results of the stakeholder consultation conducted for the evaluation, the **UAFP is considered to be coherent (internally) and consistent (externally)**. Nevertheless, some overlaps and areas for improvements are identified (as indicated in the following sections).

The **external coherence or coordination** assessment focuses on the extent to which the UAFP and interventions implemented through the UAFP are coherent with other instruments and interventions with similar objectives. In addition, it also examines the coherence with EU horizontal policies.

On the topic of coherence with (other) EU horizontal policies, and as indicated in the UAFP AWPs, implementation of the UAFP is intended to be in line with the EU's political priorities[109] and related policy initiatives.

Among the cross-cutting policies, the UAFP reflects the EU's commitments[110] to tackle climate change in line with the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (UNFCCC)[111].

The programme aims to contribute to mainstreaming **climate action** and helps, where possible, in achieving an overall **target (for the Commission) of 30% of the EU budget supporting climate objectives**[112].

During the consultation for the study, it was reported that applicants are encouraged to highlight proposed activities in their applications that take into consideration the climate

[109] European Commission (2019). Political Guidelines for the European Commission 2019-2024. Available at: https://commission.europa.eu/document/download/063d44e9-04ed-4033-acf9-639ecb187e87_en?filename=political-guidelines-next-commission_en.pdf.

[110] European Commission (2019). Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal (COM/2019/640 final). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640

[111] United Nations (2015). Paris Agreement to the United Nations Framework Convention on Climate, Change. Available at: https://unfccc.int/documents/184656

[112] European Commission, Anti-Fraud Programme Performance Statements (PPS, 2023).

objectives of the EU. Funding under the UAFP was provided to beneficiaries to purchase energy-efficient equipment, such as specialised electric or hybrid vehicles[113].

The UAFP might also be used to better equip Member States to prevent imports of certain illicit products that do not comply with the EU environmental and climate framework[114]. Despite these efforts, some stakeholders stressed that the size of the UAFP is limited and cannot significantly contribute to addressing climate change concerns[115].

In addition, it was highlighted that, although UAFP funding is given to projects that aim to be in line with energy-efficient standards, the actual implementation of the projects might not be in line with such standards. This is because public procurement processes put in place by national administrations often favour the lowest-cost bidder over other considerations.

The **digital transition** is another key priority of the EU and part of its digital strategy[116]. The UAFP supports Member States' digital transitions through all three components.

For instance, this already partly occurs through the UAFP funding to Member States' beneficiaries for the **purchase of IT tools supporting data analysis** to detect fraud affecting revenue or expenditure and by **building up expertise on digital forensics**[117]. Financial support is also provided to **purchase and maintain software and hardware** that is needed to improve the IT capacity of the beneficiary and to strengthen its organisation, including judicial and law enforcement capabilities.

The financial support mentioned above (funding of IT related equipment and tools, plus the budget allocated to AFIS and IMS) is considered a 100% contribution to the UN SDG Number 16 – Peace, justice and stronger institutions. The UAFP contribution to this digital transition was estimated at around EUR 11.6 million in 2021 and around EUR 11.94 million in 2022. EUR 16.4 million has been allocated in 2023 to run and manage IMS and AFIS, including also a number of grants for technical assistance projects in the field of IT and digitalisation of law enforcement agencies. The latter projects will continue to run and have an impact in 2024 and 2025.

[113] Interviews with the European Commission.
[114] European Commission (2023). Annex to the Commission Implementing Decision on the financing of the Union Anti-Fraud Programme and the adoption of the work programme for 2023 (C (2023) 813 final). Available at: https://anti-fraud.ec.europa.eu/system/files/2023-02/uafp_work_programme_2023_annex_en.PDF
[115] Interviews with European Commission staff.
[116] European Commission (2020). Shaping Europe's Digital Future. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/shaping-europes-digital-future_en.
[117] European Commission (2021). Annex to the Commission Implementing Decision on the financing of the Union Anti-Fraud Programme and the adoption of the work programme for 2021 (C (2021) 5338 final). https://anti-fraud.ec.europa.eu/system/files/2021-10/uafp_work_programme_2021_en.pdf.

This funding is stemming from the overall annual budget of the programme, which typically ranges between EUR 23-24 million per year and includes the AFIS and IMS budget. The AFIS and IMS budget are considered to fully boost the programme's IT capacity building of its beneficiaries.

The programme indirectly helps building effective, accountable and inclusive institutions in Member States at various levels of national and/or regional administrations (law enforcement agencies), in particular through support given, leading to an enhanced digital transition.

However, given the limited size of the UAFP budget, it was stressed that this contribution would not be significant enough to facilitate fully reaching the digital transition objectives[118].

Regarding the **coherence of the UAFP with other single instruments and interventions**, as noted already in the mid-term evaluation of the Hercule III programme, most of the stakeholders consulted at that time reported more synergies than potential overlaps with other EU-funded programmes. However, they indicated more coordination was needed in the future with other programmes managed by DG TAXUD and DG HOME, covering the fight against VAT fraud and against corruption or other organised crime types[119].

The consultations revealed that OLAF is exploring the possibilities of expanding the scope of its investigative work in new areas, including, food fraud, chemical waste, waste shipment and other environmental issues. For this study, the potential coherence of OLAF's expanded scope with financing programmes managed by other Commission departments could be explored in future studies.

For the external coherence analysis, several key EU programmes were selected in the study (see Box 1 hereafter). Only the two closest related ones are described in detail hereafter[120].

Overall, **the coherence with the other EU programmes is confirmed** by the results of the desk research during the study and by most of the stakeholder interviewees. In particular, one beneficiary underlined the unique characteristics of the UAFP, which is recognised as filling a critical gap by funding projects that would not otherwise be covered by other EU funds[121].

Box 1 - Key instruments and interventions for external coherence analysis

Key instruments and interventions for external coherence analysis

[118] Interviews with the European Commission; European Commission, Programme Performance Statements, Anti-fraud, 2023, available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

[119] European Commission (2017) Mid-term Evaluation of the Hercule III programme, prepared by CEPS, Economisti Associati, CASE, wedoIT. https://op.europa.eu/en/publication-detail/-/publication/472e59a1-07cd-11e8-b8f5-01aa75ed71a1/language-en/format-PDF/source-68460881

[120] The other programmes are described in detail in Annex 2 of the ICF study report.

[121] Interview with a beneficiary.

- **Regulation (EU) 2021/1077 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment (CCEI)**
- **Regulation (EU) 2021/444 ('Customs programme')**
- Regulation (EU) 2021/240 establishing a Technical Support Instrument ('TSI')
- Regulation (EU) 2021/693 ('Justice programme')
- Regulation (EU) 2021/695 ('Horizon Europe' Cluster 3 - Civil security for society)
- Regulation (EU) 2021/840 establishing a programme to protect the euro against counterfeiting for the 2021–2027 period ('Pericles IV programme')
- Regulation (EU) 2021/847('Fiscalis programme')

The UAFP is also aligning more and more with the 2019 Commission's anti-fraud strategy, which places more attention on the collection and use of data for anti-fraud purposes[122].

Interventions financed under the UAFP aim to focus on cross-border cooperation in fighting fraud and to ensure there is complementarity and interoperability with equipment and tools purchased under other EU-funded programmes[123].

Existing mechanisms aiming to prevent (financial) overlapping between the UAFP and other financial instruments

Mechanisms, consultations and cooperation measures bring together the various stakeholders involved to prevent financial instruments' objectives from overlapping.

Formal and informal mechanisms are in place to facilitate cooperation across the Commission's departments, prevent or resolve potential overlaps and ensure optimal synergies between EU-funded programmes.

The formal cooperation takes place during the preparation of the AWPs for the different funding instruments. The programmes and their legislative activities (adopting the financing decisions and annual or multi-annual work programmes) are subject to inter-service consultations (internal cross-departmental consultations in the Commission).

The legislative proposals are submitted to all relevant Commission departments for their input and agreement to ensure coordination between the programmes managed by those departments.

[122] European Commission (2019). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, and the Court of Auditors. Commission Anti-Fraud Strategy: enhanced action to protect the EU budget (COM (2019) 196). https://anti-fraud.ec.europa.eu/system/files/2021-09/2019_commission_anti_fraud_strategy_en.pdf

[123] PIF report 2021.

The Commission departments also coordinate their work for the launch of calls for applications and during the evaluation of the applications received. The applications are examined to identify any overlaps and to prevent over- or double-financing.

In practical terms, this means that OLAF staff are part of the different evaluation committees set up each year for the assessments of the applications received under other programmes. Similarly, staff of other Commission departments participate each year in the evaluation committee for the assessment of applications submitted for UAFP funding.

In addition to the formal mechanisms above, there are informal channels of cooperation for exchanges at the level of policy officers of the relevant units. This level of informal cooperation is considered essential in leveraging the in-house expertise on the differences in scope and areas of competence between the UAFP and, for example, DG TAXUD's programmes[124].

Strengthened and regular coordination is ensured between DG TAXUD and OLAF[125], as well as between DG JUST and OLAF to avoid overlaps in providing grants and training to similar target audiences[126].

At a higher level, there is also cooperation when developing and adopting the legislation setting out the instruments (e.g. DG TAXUD contributed to the impact assessment prepared ahead of the UAFP Regulation) and when evaluating their implementation and results[127].

The study provided a comparative analysis of the UAFP and related EU programmes, of which two are described hereafter, i.e. Regulation (EU) 2021/1077 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment (CCEI), and Regulation (EU) 2021/444 establishing the Customs programme for cooperation in the field of customs ('Customs programme Regulation') [128].

The CCEI is one component of the EU's Integrated Border Management Fund (BMF). For 2021-2027, it aims to contribute to adequate and equivalent customs controls by supporting Member States in purchasing, maintaining and upgrading state-of-the-art customs control equipment.

During the interviews with Commission's officials, the highest risk of duplication in funding was identified as existing between the UAFP and the CCEI. In fact, the two programmes have similar eligible activities. The UAFP's scope covers the protection of the EU's financial

[124] Interview with the European Commission.
[125] Ibid.
[126] Ibid.
[127] Ibid.
[128] Customs programme, Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013, (OJ L 87, 15.3.2021), p. 1, preamble, paragraph (5).

interests, which is also one of the areas covered by the CCEI but not its main priority. In addition, the UAFP comprises of activities related to customs, which is the sole area covered by the CCEI. The UAFP includes customs authorities among its beneficiaries, which are the only specific beneficiaries of the CCEI.

However, although the CCEI has a much larger budget than the UAFP, its scope is more limited than the UAFP's since the CCEI focuses on customs equipment specifically. The complementarity between the two programmes was already identified at the proposal stage of the UAFP Regulation. However, the Regulation indicated that each of them focuses on different types of support, namely to national authorities and customs authorities[129].

Regarding technical assistance support, the adoption of the CCEI allowed for the UAFP to focus more on advanced tools and technologies, including data analysis. This created valuable synergies (complementarity) across the two programmes, while also avoiding overlaps in the funding, including financial overlaps[130].

To limit and avoid such duplication, OLAF and DG TAXUD provided guidance to applicants and beneficiaries to help them distinguish between the UAFP and the CCEI. **Efforts were regularly made to ensure closer and more effective cooperation** and consultation between OLAF and DG TAXUD. This was carried out via formal cooperation (such as inter-service steering group meetings and joint meetings at different levels) and informal cooperation (including regular and ad hoc exchanges between policy officers) to avoid duplication and optimise coordination.

Consultation took place at different stages, in particular when preparing the relevant regulations (e.g. with DG TAXUD and other Commission departments providing input to the UAFP impact assessment), developing the AWPs, launching the calls for applications and evaluating the applications received (e.g. to avoid double-financing).

Regulation (EU) 2021/444 establishes the **Customs programme** to further modernise the Customs Union, support the development and uniform implementation of customs legislation and policy and facilitate cooperation in the field of customs for the 2021-2027 financial period. It includes funding for collaborative activities, administrative and IT capacity building, including human skills and training, and the development and operation of EU electronic systems and innovation in customs policy.

[129] European Commission (2018). Commission Staff Working Document, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme (SWD (2018) 294 final), https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

[130] European Commission, Programme Performance Statements (PPS, 2023), available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en

The above-mentioned Regulation indicates that the Customs programme should exploit possible synergies with other EU measures in related fields, such as the UAFP, in order to ensure cost effectiveness.

The external study[131] identified common points and areas of potential overlap between the UAFP and the Customs programme, as presented in the table hereafter. These common points raised questions with the interviewees during the study about their differences and how to avoid duplicating efforts in the customs area[132].

Table 8: Scope for coherence and overlap between the UAFP and the Customs Control Equipment Instrument (light pink colour)

Geographical scope		Member States
		EEA countries
		Acceding countries, candidate countries and potential candidates
		ENP countries
		Other non-EU countries
General objectives		Protecting the financial interests of the Union
		Promoting mutual assistance between the administrative authorities of the Member States and cooperation between these administrative authorities and the Commission to ensure that the law on customs and agricultural matters is correctly applied
Specific objectives	Hercule	Preventing and combating fraud, corruption and any other illegal activities affecting the financial interests of the Union
	AFIS	Providing tools for information exchange and supporting mutual administrative assistance in customs and agricultural matters
	IMS	Supporting the reporting of irregularities, including fraud, found in the shared management funds and pre-accession assistance funds of the Union budget
Eligible actions		Technical knowledge, specialised and technically advanced equipment and effective IT tools enhancing transnational and multidisciplinary cooperation and cooperation with the Commission
		Staff exchanges for specific projects, ensuring the necessary support and facilitating investigations, in particular setting up joint investigation teams and cross-border operations
		Technical and operational support to national investigations, particularly to customs authorities and LEAs, to strengthen the fight against fraud and other illegal activities
		IT capacity in the Member States and third countries, increasing data exchange and developing and providing

[131] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235. Annex 2 – Coherence tables: Table 25.

[132] Interview with the European Commission.

	IT tools for the investigation and monitoring of intelligence work
	Specialised training, risk analysis workshops, conferences and studies to improve cooperation and coordination among services concerned with the protection of the financial interests of the Union
	Any other action provided by the work programmes that is necessary to achieve the general and specific objectives
Eligible entities	Public authorities
	Research and educational institutes, and non-profit entities
	Any legal entity created under EU law
	International organisations

One of the main common points is that they both aim to contribute to the protection of the EU's financial and economic interests and may address the same customs and trade policy topics (as part of the general and specific objectives of the two programmes). Although this is common ground, the nature and scope of the two programmes is clearly distinguishable. The Customs programme focuses solely on customs cooperation and customs union aspects, whereas the UAFP supports the fight against fraud, which is not in the scope of the Customs programme. The UAFP is not specific in terms of the law enforcement aspects and, as such, goes beyond the customs domain.

In terms of eligible actions, both programmes can finance electronics and IT systems. They also both can support organising specialised training, risk analysis workshops, conferences and studies that aim to improve cooperation and coordination. However, the Customs programme cannot do so if the objective goes beyond its legal scope[133].

Regarding the technical assistance provided under the UAFP, the UAFP is used to fund the purchase of highly specialised technical equipment with possible uses that are not only limited to customs activities, with OLAF focusing increasingly on the expenditure side of the programme. The purchase of similar technical equipment is excluded under the Customs programme.

Considering the common points and to avoid overlaps, DG TAXUD and OLAF work very closely together (formally and informally) to coordinate and build complementarities. A clear understanding has been reached between the relevant Commission departments on the differences between the two programmes[134]. They have also engaged actively with applicants and beneficiaries to provide guidance on how the two programmes work and what are their specific objectives. The similarities were already evident at the time of the Hercule III

[133] The legal basis of the Customs programme Regulation does not refer to Art. 87 nor to Art. 325 TFEU.
[134] Interview with the European Commission.

programme. However, cooperation made it possible to tackle similar policy aspects in different ways as confirmed by stakeholders during the final evaluation of Hercule III[135].

4.2 How did the EU intervention make a difference and to whom?

This section, focussing on **EU added value** provided by the programme, assesses the potential change for beneficiaries or the public as a result of the EU intervention and measures the impact above and beyond the reasonably expected results of national actions alone.

Due to the limited availability of data on finalised projects for this evaluation, there have been limitations in determining the (full) added value of the programme's components.

From the available data and the collected information from beneficiaries and stakeholders, it appears that the (expected and yet seen) results delivered, could not have been possible without EU action and co-funding through grants or procurement. The extent to which the UAFP has enabled a more efficient use of financial resources for the Member States' beneficiaries, than if Member States had acted alone, is, although not fully measurable at this stage, clearly identified by the consulted stakeholders and beneficiaries.

The following assessment is based on a thorough review of available reports and literature on the UAFP, targeted surveys of Hercule component beneficiaries and applicants, targeted surveys of AFIS users, and interviews with key stakeholders.

Interviews with beneficiaries and the case studies of selected projects showed that the supported actions focus on the output and benefits described below.

- Improved investigative and surveillance capabilities and capacities by purchasing state-of-the-art communication surveillance equipment, upgrading existing surveillance systems and tools and training personnel to operate the newly acquired equipment;

- Improved quality of collected data and evidence and the ability to exchange data with partners from other Member States and EU agencies and participate in trans-border investigations;

- Improved performance of investigative and law enforcement authorities: (i) by purchasing equipment and software, which increases both the volume of data they can process and the speed of processing; and (ii) by enabling the use of artificial intelligence and digitisation in activities like evidence review, data classification and identity verification;

[135] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

Training activities, conferences, study visits and publications have improved transnational cooperation among the parties involved in the protection of the EU's financial interests and have contributed to applying a multidisciplinary approach in combating fraud and other illegal activities, including by bringing together academic researchers and practitioners.

Many respondents highlighted **additional benefits beyond the scope and efficiency benefits** mentioned above. One beneficiary of technical assistance highlighted that the UAFP programme was vital in ensuring that their office could stay up to date. This respondent stated that IT technologies develop very fast and are adopted very quickly by organised criminal groups. It is very difficult for the respondent to keep up with these developments, and they consider **UAFP funding as a vital resource** helping them stay up to date[136].

Two beneficiaries of training activities highlighted that the participation of OLAF greatly **improves interest and encourages participation** in training and conferences. OLAF funding lends **substantial credibility** to the training activities, which results in more people attending them[137].

Lastly, an applicant for training activities stated that funding for these activities at an EU level gives **more added value because the assessment process is more neutral**. At national level, there is a much smaller circle of professionals involved in this area, which makes an objective evaluation of the proposals difficult. By contrast, EU funding ensures a **neutral review process**[138].

As for potential contributions to **sustainable development goals and other benefits**, the UAFP programme provides additional benefits partly through its contribution to meeting key sustainable development goals. Specifically, financial support from the EU through the technical assistance grants contributes to the sustainable development goal of **reducing inequalities within and among administrations in Member States**. The technical assistance grants support this goal by indirectly helping to **harmonise the financial resources available to Member States by bolstering the budgetary capacity** of national administrations[139].

[136] Interviews with beneficiaries.
[137] Interviews with beneficiaries.
[138] Interviews with beneficiaries.
[139] European Commission. Anti-Fraud – Performance, Union Anti-Fraud Programme, 2023. Available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

Furthermore, the programme indirectly helps **build effective, accountable and inclusive institutions through its support to law enforcement agencies**. This support is particularly evident through grants dedicated to **supporting an improved digital transition**[140].

4.3 Is the intervention still relevant?

Relevance addresses the relationship between the needs and problems at the time of the implementation of the intervention – in this case, over the 2021-2024 period of the UAFP. It also considers the relationship between current and future needs and problems in the EU in this policy area according to the objectives of the intervention.

The ex-ante evaluation of the UAFP in 2017-2018 identified the needs of stakeholders working within the programme (particularly at Member State level) in relation to the fight against fraud for the upcoming period. It concluded that support provided at the time by Hercule III was crucial to countering cross-border fraud against EU financial interests and that this should remain a priority for the EU, to be pursued by the next such iteration.

The main needs identified during the legislative preparatory works towards the adoption of the UAFP Regulation were:

- Lack of up-to date technical equipment and support in the Member States;
- Increase in new forms of fraud and rapid development of sophisticated technical tools used by criminals ;
- Need for cooperation between stakeholders (including the exchange of best practices and experiences);
- Need for access and exchange of data and information between stakeholders and Member States.

The interim evaluation has revealed that the UAFP's specific objectives generally align with the programme's broader goals, **showcasing its relevance overall**. Nevertheless, there is **room for improvement** in providing targeted support to address **emerging crime trends**, particularly through the adoption of **digitalisation measures**.

According to stakeholder feedback, survey responses and interviews, the specific objectives of the Hercule component are strongly aligned with the UAFP's general objectives and with stakeholder needs.

Overall, the **UAFP is and remains relevant to emerging trends** in fraud prevention by addressing digitalisation and e-commerce-related fraud through funding initiatives and training projects. While there is a growing emphasis on digital preparedness to combat evolving criminal tactics, efforts to address emerging trends explicitly should be consolidated.

[140] European Commission. Anti-Fraud – Performance, Union Anti-Fraud Programme, 2023. Available at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

The **AFIS** component's annual work plan, user satisfaction surveys, and functionality assessments **demonstrate its relevance in facilitating information exchange** and operational activities in customs matters.

For example, the AFIS component, particularly the Tobacco Seizure Management Application (ToSMA), contributes to combating tobacco smuggling by enhancing investigators' awareness and leveraging statistical models.

The **IMS** component, while perceived as useful and relevant, has, until very recently, faced challenges in effectively supporting the reporting of irregularities and combating fraud within the EU budget. Stakeholders pointed to the need for system upgrades, for example. This upgrade has now been launched in October 2024 and requires some time to get fully implemented this and next year, **addressing most challenges identified in this evaluation**.

The expansion of the programme's beneficiaries to **Ukraine** and, potentially, other EU candidate countries since 2023, as well as **increasing market prices** for hardware and artificial intelligence (AI) technologies, could further limit the current (financial) ability of the programme to address forthcoming and increasing request for financial support to answer the needs.

For example, the Hercule component already rejects about two-thirds of all grant applicants each year since 2022, due to budgetary limits. This may suggest increasing and unsatisfied financing needs by the Member States and the associated country Ukraine, which could prompt frustration and dissatisfaction among applicants in the future.

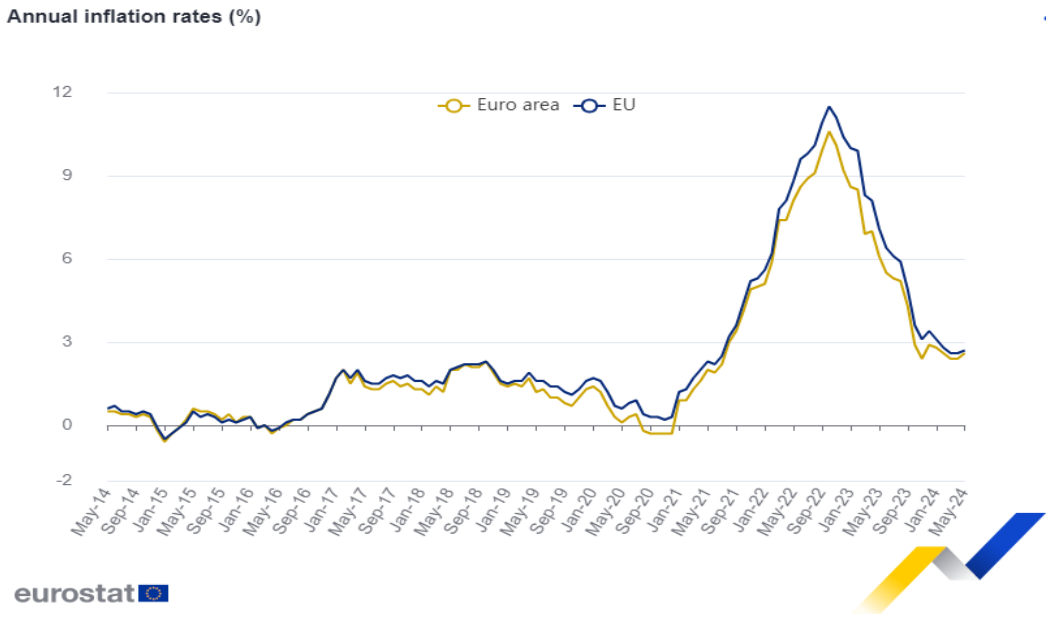
Fluctuating inflation rates also have an impact on the budget that can be allocated to a project. As a comparison, in Belgium, the inflation rate in 2022 was 10.32%, up 7.11 percentage points from 3.21% in 2021.

In 2023, the inflation rate in Belgium was down again to 2.29%, a decrease of 0.92 percentage points between 2021 and 2023.

Figure 8 hereafter visualises the fluctuation in annual inflation rates in % for the EU-27 and within the euro area, triggering the **rising trend in applications for financial support** in the field of technical assistance funded by the programme to **include a forecasted price increase** in the planned application budget for a new project (e.g. between 5% and 10% added for equipment or IT tools as the procurement procedure can take up to one year to finalise).

In this sense, a reflection on a steady and substantial budget increase for the (future) programme may need to be considered.

Figure 8: Annual inflation rates in % for the EU and within the euro area (Eurostat)[141]



5 WHAT ARE THE CONCLUSIONS AND LESSONS LEARNT?

This section presents the conclusions and lessons learnt of this interim evaluation, based on the external study report and available data and documentation, consulted throughout this evaluation exercise.

5.1 Conclusions

At this moment in time, passed halfway the programme's implementation period, it can be stated that the UAFP has **achieved its two general objectives**, as well as **its three specific objectives**, so far and **within the limits of the budgetary possibilities**. The evaluation found that the specific objectives of the programme are generally relevant to the general objectives.

The activities implemented under the Hercule component have been found to be **highly relevant to the specific objectives** of the programme as well as to catering convincingly to the needs of applicants and beneficiaries of the programme.

The yearly calls for proposals, the various activities proposed within them, and the tools provided to users (AFIS in particular) are highly relevant to the needs of beneficiaries, participants, applicants and users of AFIS platforms.

[141] https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-18062024-ap

The programme is structured in such a way that allows for beneficiaries to respond to fast-emerging trends in the fight against fraud and sets a promising starting point for such responses in the future.

Most projects carried out under the Hercule component of the UAFP could not have been completed if they were only funded at national or regional level. Even where national funding is available, without the support of EU funding, the projects carried out under the Hercule component could not be completed with the same scope and the same level of quality.

The research funding provided under UAFP occupies a unique position, and without this funding, many important research topics relating to the protection of the EU's financial interests would simply not receive funding or sufficient funding.

The programme's actual **performance has matched the beneficiaries expectations** in a large way and in different aspects, including **unexpected** benefits, both for programme beneficiaries as for the general public, for example by **contributing to two (UN) sustainable development goals ('SDG')**, described hereafter. Although participating in the programme does require input from human and financial resources (minimum 20% co-financing for 'Hercule' projects), the UAFP has enabled national investigative units to **optimise their use of resources**, leading to a **more effective** fight against serious crimes that undermine the EU's financial interests.

On cost savings, the interim evaluation of the first component of the UAFP, Hercule, revealed that beneficiaries experienced **some reduction in costs**. On the **application process**, the current technical application process provided by OLAF is a substantial improvement compared with the previous programme's process and is recognised as **being highly efficient**.

The **increased internal coherence achieved** with the three-component structure under the UAFP (compared to the Hercule III programme) is primarily observed in the **reduction of the administrative work and costs, simplification in the management** of funding, **budget flexibility and redistributio**n of funds within and across the three components.

Nevertheless, there is room for further internal coordination (within OLAF), particularly in the early annual preparation and development of the AWPs and in the financial resource allocation, to ensure better coherence between the components of the programme and the priorities identified.

On the **external** coherence, the closest synergies and potential for complementarity is observed between the UAFP and the CCEI (managed by DG TAXUD).
As already mentioned, there are also common points between the UAFP, the Customs programme and the Fiscalis programme, both managed by DG TAXUD.

Although each year all the applications filed under the Hercule component require **careful analysis and coordination between OLAF and DG TAXUD to avoid potential overlaps**, no significant duplications were found. The relevant Commission departments will continue working closely at different levels and at different stages in the grant process to ensure it is clear to applicants and beneficiaries how the programmes work and what activities are eligible for funding.

Overall, EU financial support provides a **substantial benefit to the scope and efficiency of projects** funded through the programme. The annual overview and annual programme performance reporting indicate that the structure of the programme may support key synergies, such as the **flexibility to transfer funding between and within components**.

The UAFP programme provides additional added value through **reputational gains**. Receiving UAFP funds and participating in OLAF training and networking projects result in a reported increase in the interest, credibility and level of participation.

The programme implementation has shown the existence of **additional benefits to the EU citizens**, in particular through the programme's indirect contribution to meeting key **sustainable development goals** (SDGs). Specifically, financial support from the EU through the technical assistance grants contributes also to the sustainable development goal specifically linked with **reducing inequalities** within and among countries (SDG Number 10), here at national and/or regional governance level in particular.

The technical assistance grants support this goal by indirectly helping to harmonise the financial resources available to Member States by **bolstering national administrations' budgets**.

Furthermore, the programme indirectly **helps build effective, accountable and inclusive institutions** in the beneficiary countries by supporting law enforcement agencies, particularly through grants to help fund an **improved digital transition** (SDG Number 16).

5.2 Lessons learnt

This evaluation and the study have made it possible to learn about the existence of, for example, unexpected benefits for the beneficiaries of the 'Hercule' component from the successful implementation of the programme so far.

Also, a number of challenges remain to be tackled further as described hereafter.

Many consulted respondents highlighted additional benefits beyond the scope and efficiency benefits mentioned earlier. The respondents consider UAFP funding as a vital resource helping them stay up to date with the latest technologies in their fight against fraud and other offences detrimental to the EU's financial interests.

The programme's funding also lends substantial credibility to (the organisers of) the training activities, which results, among other benefits, in more participants and better networking.

This reinforces the idea that the level and scope of funding under UAFP should at least be maintained as applicant and beneficiary feedback shows that the programme fills a unique niche. Any reduction in funding opportunities through UAFP would leave a significant gap in the fight against fraud or any other irregularities detrimental to the EU's financial interests.

This interim evaluation noted that the number of (mainly) technical assistance proposals for the Hercule component of the UAFP has doubled in recent years (between 2022, 2023 and 2024). This significant increase has shown that the Commission's (OLAF's) efforts, in 2022 and 2023, to organise workshops for beneficiaries has been boosting the success of the programme.

Informing potential beneficiaries of the calls for proposals in a more targeted way could further increase the number of applicants and the number of Member States participating in the programme, especially from countries that submit none or fewer applications.

Targeted information sessions involving Member State institutions could be organised in countries where the number of EU fraud cases and irregularities is high but few applications are submitted. This may help increase the participation rate and result in a more even distribution of the funds among as many Member States as possible, including the associated partner Ukraïne. Nevertheless, some countries might not be interested in participating in the UAFP.

Transnational cooperation can be improved by providing incentives to beneficiaries to set up multinational project teams and multi-beneficiary projects.

The ('Hercule') project reporting platform should be upgraded to make it more user-friendly and intuitive for beneficiaries.

A more quantitative comparison of costs and benefits of the programme could be facilitated with data on benefits. This would allow for these benefits to be monetised as far as possible, e.g. more standardised reporting on the monetary value or estimated value of benefits enjoyed by Hercule grant recipients.

The application procedure for Hercule grants has significantly improved, compared with the previous edition and is considered to be highly efficient. Nonetheless, there is still potential for improvements in efficiency. The efficiency of the application process may benefit from including, if technically possible, a feature in the Commission's online portal for calls and tenders, to notify applicants (directly and/or automatically) when a call has been launched.

Greater user-friendliness for users with disabilities, such as those with visual impairments, may also make the process less resource-intensive for some applicants.
The evolving challenges in the customs anti-fraud environment call for a reinforcement of the financial means of the activities under Council Regulation No 515/97, in particular for the modernisation of the AFIS infrastructure and the enhancement of the data management and data exploitation functionalities. This would increase the operational capacity of investigators and data analysts to pro-actively detect cases of fraud and to monitor existing and evolving trends.

This modernisation process should be carried out with the use of the latest technologies and advanced analytical tools and techniques for searching and combining data, as well as visualising results. Machine learning, artificial intelligence (AI), text mining and advanced statistical techniques will provide an automated framework for processing big data (for example e-commerce data).

With regard to the further implementation of AFIS, it seems that, although the AFIS training and information materials are deemed useful, not all users are aware that they exist.

The increasing costs of the maintenance and development of the AFIS platform and the elevated costs of the needed state of the art technology and equipment for its modernisation call for a significant increase in the allocated budget within the (future) programme.

The databases under the AFIS umbrella are all considered efficient. Resource utilisation can be optimised and less hardware is required on a central EU level. Administration costs are lower. As data is stored centrally, fewer components are needed and the data storage is done in a coordinated way.

The existing services offered by AFIS as an intelligence platform to facilitate the sharing of the results of analysis carried out at EU level sould be further enhanced. Certain AFIS modules show exceptionally strong evidence of benefits (e.g. CIS+).

Current trends in crime show that projects enabling the fight against digitally enabled fraud require more funding. Hence, the future overall programme budget might benefit from a planned increase to address and mitigate the increasing proportion of applications in the Hercule component of the programme that are unsuccessful, mainly due to budgetary limits (now about three quarters of all the applications under technical assistance).
Applicants highlighted the lack of similar financial support from national or other sources.

The high costs of hardware and the need for policymakers to keep up with technological developments might require an increase in the budget of the (future) programme to continue supporting national authorities in combating fraud, corruption or any other illegal activities.

Lastly, such a budget increase should take into consideration the extension of the programme's geographical scope, following Ukraine's association to the programme since 1 January 2023.

In this way, the potential is created for extending the programme to other candidate countries.

ANNEX I: PROCEDURAL INFORMATION

- Lead DG: DG OLAF
- DECIDE Reference: PLAN/2023/753
- The specific Inter-service Steering Group (ISG, composed of staff members from DG SG, SJ, TAXUD, JUST, HOME and BUDG) agreed with a specific Call for Evidence with targeted questions/interviews to/with dedicated groups of interest as the stakeholders of the programme are very specific national or regional services dealing with the protection of the EU's financial interests, among other priorities. The general public has not been specifically consulted. The ISG has held three meetings, one for the approval of the Terms of Reference for the selection of the contractor, one for the presentation of the inception report by the contractor ICF and one for the presentation of the draft final study report by ICF (on 16 April 2024).
- The interim evaluation preparatory activities were launched in the autumn of 2022, including the reopening of a competition within an existing Commission Framework Contract (FWC) from DG HOME between the companies within that FWC. This in order to select one company to set up and finalise an external study in order to assist the Commission (OLAF) with this interim evaluation exercise. The contract was signed with the Belgian branch of the company ICF, located in Brussels, together with its subcontractors. The contract ran between 17 May 2023 and 17 May 2024, resulting in the submission of a final study report[142] on the interim evaluation on 17 May (last update 9 July 2024). The Report from the Commission with its accompanying staff working document is due to be adopted by 31 December 2024 at the latest. The study and the Commission Report (+SWD) will be published on the Commission (OLAF) website. The ICF study report (finalised in July 2024 for publication) is available here: https://data.europa.eu/doi/10.2784/1075235.

ANNEX II. METHODOLOGY AND ANALYTICAL MODELS USED

1. Principles

The external study by ICF on the interim evaluation of the programme, including four extensively developed case studies, is considered to be of high quality (taking into account the rather limited number of finalised projects and the low response rate of the surveys) and has respected and followed the following principles, as required by the Better Regulation's guidelines on evaluations:

- comprehensiveness – covering the following (five) criteria:
  - effectiveness;
  - efficiency (including sustainability or durability of the action/materials);
  - coherence (both internal and external);

[142] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

    - relevance; and,
    - EU added value.
  - proportionality – the scope of the evaluation (study) has been tailored to the particular intervention, the time since its implementation and the available data.
    For some criteria, new data had to be collected, analysed and compared with other findings. For others, a short summary has been provided, on the basis of existing reports and information, or a standard explanation has been provided.
  - independence and objectivity – Through ICF, an independent and objective evaluation has delivered robust and reliable results. The analysis done in the evaluation is considered to be independent and objective, including for the staff working document and the Report from the Commission based on that study, since it has been based on all relevant information; it has been conducted without influence or pressure by third parties and the study and the SWD and Report reflect transparently the positive as well as the negative elements of the analysis;
  - evidence-based approach – This evaluation has been based on the best available evidence drawn from a diverse and appropriate range of methods and sources (triangulation). Not all sources were equally robust considering when and how the (reduced) available evidence was collected. As far as could be identified, the evidence is considered not to have been subject to bias or uncertainty.
    Any **limitations** related to the evidence and the methodology, particularly in terms of their ability to support the conclusions, has been clearly explained, both in the study and in the introductory part of this staff working document.
- ICF has been able to establish a clear link between the evaluation questions addressed and the corresponding methodology;
- The **main evaluation questions** which have been addressed, in line with the Better Regulation Guidelines' evaluation criteria (mentioned above) are:
  - What have been the outcomes of the interventions, implemented by the programme, so far, considering the ex-ante evaluation of the legislative proposal in 2018, the preamble of the adopted legal text, and the final evaluation of the Hercule III programme in 2020?
  - How has the programme implementation evolved over the interim evaluation period (considering specific circumstances such as e.g. the impact of Corona measures in the Member States)?
  - To what extent can the intervention be considered successful and why? Where possible, each of the five main evaluation criteria have been assessed: **effectiveness, efficiency, coherence, relevance as well as EU added value** of the programme's actions, also in relation to other programmes (synergies, complementarity) with similar objectives and/or target audience (in particular, the CCEI and the Customs programme).
  - Are the objectives and the activities of the intervention still relevant today and for the future?
  - How did the EU intervention make a difference, compared to what has been (financially or administratively) possible on a national or regional governance level?

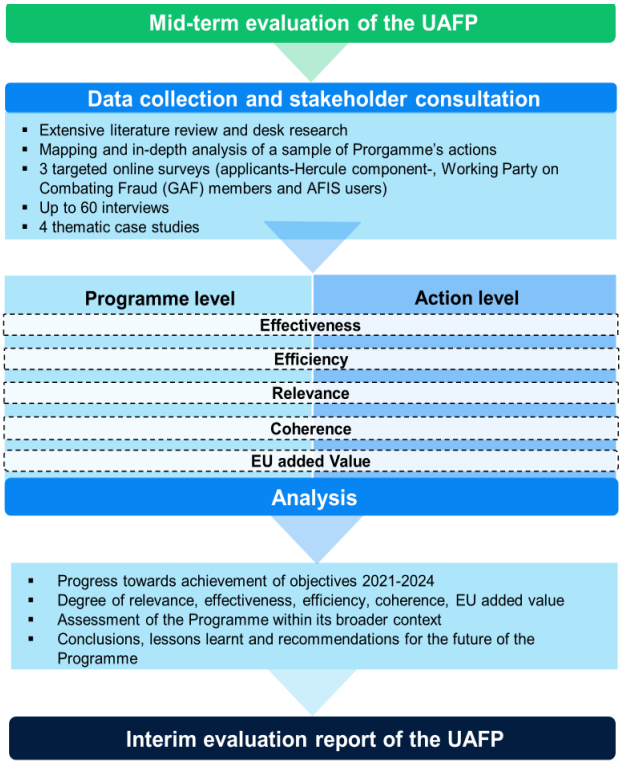
- What is the EU added value of the programme?
- What are the conclusions and lessons learnt, as well as the way forward?

- **Quantitative and qualitative indicators** have been identified by ICF and used as much as possible throughout the evaluation process;

A representative sample of measures and activities examined has been drawn up (and agreed upon, in consultation with the contractor and the ISG, the inter-service steering group, at the presentation of the Inception Report) in a manner suitable for each evaluation question, and has enabled the evaluators to draw general conclusions on the measures and address the key application issues, as identified by the inter-service steering group and the consulted stakeholders.

The sections hereafter present the methodology used in the ICF study to support the interim evaluation of the UAFP. It utilises a mixed-methods approach, comprising both qualitative and quantitative research techniques, to answer the evaluation questions shown in the evaluation framework. Figure 9 below presents an overview of the methodological approach.

Figure 1: Schematic overview of the methodological framework



Source: ICF analysis.

2. Study tasks



Source: ICF analysis.

3. Data collection tools

To gather the evidence necessary to evaluate the UAFP, the study team used several data collection tools:

- desk research;
- documentation analysis;
- stakeholder consultations;
- case studies[143].

4. Desk research

The desk research comprised the collection and analysis of secondary sources (included those provided by OLAF) for the period of the interim evaluation:

- policy, legal, and strategic documents, such as policy and legal documents at EU and national level;
- programme-specific documents, including PIF reports and (AFIS) steering committee meeting inputs;
- action-level documents, including grant applications, implementation reports, and final reports of grant recipients;
- other relevant documents, including academic or other (external) studies.

[143] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

ICF collected, catalogued and systematically stored the relevant sources, which were then coded and collated into an evidence table. The data gathered during the desk research were analysed and incorporated into the answers to the evaluation questions (see section 5).

5. Documentation analysis

The documentation analysis consisted of a detailed review and analysis of key programme documents for each component of the UAFP:

- the AFIS surveys in 2019, 2021 and 2023, Summary reports;
- OLAF's annual activities reports;
- the 2021 study report on the final evaluation of the Hercule III programme;
- PIF reports on fraud, covering the years 2017-2023;
- annual overviews with information on the results of the UAFP in 2021, 2022 and 2023;
- progress reports and final reports (where available) for projects funded under the 'Hercule' component of the UAFP;
- grant agreements for funding awarded under the UAFP;
- data on (pending) applications for funding under the UAFP, provided by OLAF;
- minutes of the AFIS steering committee meeting in December 2022, on the protection of the European Union's financial interests;
- documents and presentations from the AFIS steering committee, covering programme implementation and budgeting.

The contents of these documents were analysed and incorporated into the findings.

6. Stakeholder consultations

The stakeholder consultations included three targeted online surveys, targeted interviews, and a planned workshop. The results of the stakeholder consultations can be found in Annex V.

The study foresaw targeted surveys to gather inputs from national-level stakeholders. They included surveys targeting applicants to the Hercule component call for proposals, including beneficiaries, applicants awaiting a decision, and applicants whose application had been rejected, as well as a survey of registered AFIS users.

ICF completed and sent surveys to all applicants to the Hercule component, which participated in the calls between 2021 and 2023. To maximise the response rate, ICF extended the survey period and followed-up with survey recipients to encourage a response. All participants received the survey twice and, in cases where the survey was not complete, they also received individual reminders/invites to complete the survey.

This round of surveys produced 29 usable survey answers from beneficiaries (29 successful respondents) and 14 usable survey answers from applicants (14 usable respondents). Only one **unsuccessful** participant responded. Survey respondents

provided insights into the process and results of their applications and interventions (where successful) under the UAFP.

ICF analysed the responses and incorporated the results into the findings of the study.

The survey of the Council Working Party on Combating Fraud was drafted by ICF and distributed by the Council Secretariat-General through OLAF. It yielded just three usable replies.

The targeted survey of AFIS users was completed, with ICF providing inputs and survey questions, and circulated directly to AFIS users via AFIS Liaison Officers in the Member States. ICF received the raw data from the surveys on 9 February 2024.

- The study team conducted eight scoping interviews at the inception stage, as well as further scoping interviews with OLAF officials during the interim phase of the study to understand how AFIS functions and to adjust the additional interview questionnaire for the AFIS satisfaction survey;
- The study team conducted 43 stakeholder interviews at national and EU level. The results of the interim report were used to identify data gaps and adjust the interview questionnaires to address those information gaps. The study team consulted the following stakeholders:
    - Beneficiaries of the Hercule component (technical assistance and training activities);
    - European Commission stakeholders (particularly on coherence): staff of various Commission DGs;
    - AFIS and IMS stakeholders.
- Finally, ICF incorporated inputs from a stakeholder workshop on 16 April 2024. It presented the draft final report to European Commission officials (Inter-Service Steering Group members and other Commission staff) at OLAF's premises.

7. Case studies

The purpose of the case studies[144] was to thoroughly examine the main themes of the evaluation. The Regulation introduced notable themes and innovations in respect of the primary focus and structure of the UAFP. As the programme is still being implemented and many actions are ongoing, the case studies focused on assessing progress towards achieving the strategic direction for the UAFP, rather than evaluating longer-term impacts and outcomes (typically done in final ex-post evaluations).

By taking this mid-term perspective on their design, the case studies offer a comprehensive understanding of whether the programme is advancing towards its

[144] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

objectives, allowing for adjustments or re-orientation if necessary for the remainder of the programme. The study team completed four case studies. The case studies covered the following topics:

1. Case study on investigative capacity;
2. Case study on digitalisation, AI, data analytics;
3. Case study on transnational cooperation and exchange of information;
4. Case study on training related activities.

The results of the case studies have been incorporated into this report. Full details of the four case studies are available in Annex 3 of the study report, available here: https://data.europa.eu/doi/10.2784/1075235.

8. Limitations to methodological approach and robustness of findings

This section outlines the primary constraints and methodological adaptations encountered during the study.

Given the delayed adoption of the UAFP's legal basis and the late implementation of the 2021 activities (COVID-19), the completion of project outputs and subsequent reporting processes has been held up.

Consequently, drawing conclusions on the programme's long-term impacts and outcomes proves challenging. In addition, quantifying the extent to which the UAFP has met its overarching objective and assessing its long-term effects are **hindered** by the indirect nature of UAFP-funded activities. For instance, establishing a direct causal link between the programme's actions and their impact on the financial interests of the EU, such as through the training of national customs authorities, presents difficulties.

To address these issues, the study team took several measures during the inception phase:

- Streamlined the impact indicators and questions within the analytical framework, recognising the anticipated scarcity of relevant data for comprehensive analysis;
- Revised the analytical framework and associated data collection tools to prioritise qualitative indicators and data;
- Engaged stakeholders to provide insights into the expected achievement of the UAFP's objectives, facilitating qualitative assessment of progress. This involved soliciting stakeholder feedback on project alignment with objectives, including for projects still in progress.

These adjustments enhanced the study's adaptability to the dynamic nature of UAFP implementation and its indirect impact pathways.

ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

1. The evaluation matrix

The evaluation framework, presented hereafter in a schematic format, has been developed following the key principles of the European Commission's Better Regulation Guidelines and its toolboxes and evaluates the relevance, efficiency, effectiveness, coherence, and added value of the UAFP.

Table 1 – Evaluation matrix

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
RELEVANCE			
Q1. To what extent are the specific objectives/activities of UAFP relevant to the general objective of protecting EU financial interests from fraud?			
Q1.1 To what extent have the specific objectives[145] been relevant to the general objectives in the period 2021-2024? Q 1.2 To what extent are the specific objectives still relevant to emerging trends, including in the development of new crime types and techniques?	Context-related indicators Developments and trends of detected customs fraud, and related criminal activities as corruption, money laundering and illicit trade in the period 2021-2024 Trends in detected smuggling and consumption of illicit tobacco products observed in the period 2021-2024, including, but not limited to, the emerging routes of tobacco-related activities. Number of illegal	The programme's specific objectives have been relevant in protecting the financial interests of the Union. The programme's specific objectives have been adequate to support the prevention of emerging crime types and techniques related to fraud.	Desk research Analysis of fraud and customs related irregularities and crime statistics and reports (OLAF, Europol, national authorities) International, regional, and national crime trend reports (e.g., from Interpol, Europol)

[145] According to Art 2 of the UAFP Regulation, the specific objectives of the programme are to:
(a) Prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests.
(b) Support the reporting of irregularities, including fraud, found with the shared management funds and pre-accession assistance funds of the Union budget.
(c) Provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters.

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	activities and cases of fraud Opinion-based indicators Share of consulted stakeholders who agree that the specific objectives have been relevant to the general objectives in the period 2021-2024		Consultation activities Semi-structured interviews with OLAF and other DGs and EU institutions Semi-structured interviews and Surveys with: beneficiaries, applicants, service users (IMS and AFIS)
Q1.3. To what extent have the activities of programme been relevant for achieving its specific objectives in the period 2021-2024?	Context-related indicators as Q1.1. above Opinion-based indicators Share of consulted stakeholders who agree that the specific activities have been relevant to the specific objectives in the period 2021-2024	There is clear evidence that the activities of programme been relevant for achieving its specific objectives in the period 2021-2024 Stakeholders agree that the activities of programme across its different components have been relevant for achieving its specific objectives in the period 2021-2024.	Desk research Participants Feedback Post-activity reports Feedback forms from training participants. Consultation activities Surveys with applicants, beneficiaries, service users (Hercule, AFIS and IMS), training recipients.
EFFECTIVENESS			
Q2 To what extent have the training and technical assistance provided under UAFP been effective in improving the activities linked to prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial			

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
interests?			
TECHNICAL ASSISTANCE			
Q 2.1 To what extent have the technical assistance been effective in improving the activities linked to prevention, detection, and investigation of fraud and other illegal **activities detrimental to the EU's financial interests?** • the grants awarded under the technical assistance interventions. • the purchasing and maintaining of the investigations and surveillance tools and methods. • the purchasing of digital forensic hardware including equipment and software, mobile forensic tools, and computer forensic collaborative systems • the procurement of IT databases, awarded under the technical assistance	<u>Quantitative indicators</u> Number of issues / incidents reported via the systems. Displacement of the illegal activity (Number of issues/incidents) to another entry port or another entry means after the acquisition of a new scanner, or other means to combat fraud through the programme at an entry port. <u>Opinion-based indicators</u> Share (%) of surveyed stakeholders agreeing / disagreeing with the fact that the UAFP contributed to improving the activities linked to prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial interests Stakeholders' views on how the systems and its features have contributed to the objectives of the programme. Stakeholders view on what they would	The UAFP has been highly/somehow/ little effective in protecting the financial interests of the European Union by fighting fraud, corruption, and other illegal activities under the OLAF's remit.	<u>Desk research:</u> Statistics on crimes, investigations, and prosecutions Users' metrics Reports from the beneficiaries <u>Consultation activities:</u> Semi-structured interviews and Surveys with: beneficiaries, applicants

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
interventions. • the purchasing of data analytics technologies and data including the acquisition and maintenance of dedicated platform (e.g., commercial databases, data analysis/mining tools, etc.) • the procurement of IT tools and tobacco analysis awarded under the technical assistance interventions. • the purchasing of equipment for the detection of illicit trade	have done if they had not received funding from the UAFP. Stakeholders' view on whether as a result of the funding they have prevented more crime, illicit activities than they would have otherwise.		
Q3 To what extent have the activities contributed to an enhanced transnational cooperation and cooperation?			
Q 3.1 To what extent did the different interventions funded under the technical assistance component prove effective to enhance cross-border / international cooperation?	<u>Quantitative indicators</u> Number of cross-border / transnational cooperation activities funded under the UAFP Hercule component. Number of projects implemented by beneficiaries from more than two countries. Number of research studies Number of scientific publications	The technical assistance interventions contributed to an enhanced transnational cooperation, including in the following activities: purchasing and maintaining of the investigations and surveillance tools and methods purchasing of digital forensic hardware including	<u>Desk research:</u> Metrics on systems' usage Statistics on crimes reported, losses preventions and assets recovered, if available <u>Consultation activities:</u> Semi-structured interviews and Surveys

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	distributed. <u>Quantitative/opinion-based:</u> Share (%) of the surveyed / interviewed stakeholders highlighting that the funded technical assistance / training contributed to the enhancement of transnational cooperation: Share (%) of surveyed stakeholders agreeing / disagreeing that certain factors influenced the transnational nature (or the lack of transnational nature) of the interventions. <u>Qualitative:</u> Reports or studies / analysis carried out in the context of technical assistance interventions proving these activities were effective in enhancing transnational cooperation. Degree to which each single activity funded under technical assistance (Hercule component of the UAFP) manifested	equipment and software, mobile forensic tools, and computer forensic collaborative systems purchasing of data analytics technologies and data including the acquisition and maintenance of dedicated platforms (e.g., commercial databases, data analysis/mining tools, etc.) purchasing of equipment for the detection of illicit trade Degree to which each single activity funded under technical assistance (Hercule component of the UAFP) manifested a degree of transnational cooperation.	with beneficiaries

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	a degree of transnational cooperation. Measured, for instance, through:		
Q4. To what extent have the technical assistance interventions contributed to a multi-disciplinary cooperation?			
Q 4.2 Which factors effectively enhanced multi-disciplinary cooperation, if applicable? • The following list of factors shall be considered non-exhaustive: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were from different departments, thus, ensuring multi-disciplinarity; • Funds and resources. Whether the allocated resources were sufficient to ensuring a certain degree of multi-disciplinarity • Other exogenous factors contributing to or hindering the multi-disciplinarity of	<u>Quantitative/opinion-based</u> Share (%) of surveyed stakeholders agreeing / disagreeing that certain factors influenced the multi-disciplinary nature (or the lack of multi-disciplinary nature) of the interventions	Degree to which each single activity funded under technical assistance (Hercule component of the UAFP) was designed with a degree of multi-disciplinary cooperation.	<u>Consultation activities</u>: Semi-structured interviews and Surveys with: beneficiaries, service users (Hercule)

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
the activities			
Q5. What factors limited the effective implementation of the technical and operational activities funded under the Hercule component of the UAFP budget?			
Q 5.1 What factors influenced/impacted intended effects of technical assistance and training? The following list of factors shall be considered non-exhaustive: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Other exogenous factors contributing to or hindering the effectiveness of a certain intervention.	<u>Quantitative/Opinion-based</u> Share (%) of surveyed / interviewed stakeholders agreeing / disagreeing that the following list of factors influenced / impacted the effectiveness of the activities funded under the technical assistance of the UAFP in contributing to national investigations, in particular for customs and law enforcement authorities: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention	Identification of factors that affected the effectiveness of the activities funded. Degree to which each factor has potentially impacted on the effectiveness of the activities funded. • The training activities funded under the Hercule component of the UAFP contributed to improving the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation. • Evidence of KPIs for the measuring the impact of training activities • Appropriateness of the methodologies used for	<u>Desk research</u> Participants' feedback to the training sessions Post-activity reports <u>Consultation activities:</u> Semi-structured interviews with: beneficiaries, non-successful applicants

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	• Other exogenous factors contributing to or hindering the effectiveness of a certain intervention. • Share (%) of surveyed stakeholders agreeing / disagreeing on the existence of contributing / hindering factors influencing the improvement of the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation. • Share (%) of surveyed stakeholders in the context of the training activities agreeing /disagreeing that that activity contributed to enhancing their skills in the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation. • Comments/feedback of participants and relevant	assessing the training needs and impacts	

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	authorities on the factors that facilitated or hindered capacity building via training activities • Reports and studies on the training activities (e.g., final reports) introducing KPIs for the measurement of the effectiveness of the training activities		
Q6. How did technical assistance activities contribute to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?			
Q8.1 To what extent have technical assistance activities funded under the Hercule component of the UAFP budget effectively contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?	<u>Quantitative/Opinion-based</u> Share (%) of the surveyed / interviewed stakeholders highlighting that the following activities did / did not contribute to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities such as: • purchasing and maintaining of the investigations and surveillance tools and methods • purchasing of digital forensic hardware including equipment and	The technical assistance activities contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities. Extent to which is activities is deemed to have/not contributed to limiting the exposure of the financial interests of the Union to fraud and other illegal activities	<u>Consultation activities</u> Semi-structured interviews and Surveys with: beneficiaries <u>Desk research</u>

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	software, mobile forensic tools, and computer forensic collaborative systems • purchasing of data analytics technologies and data including the acquisition and maintenance of dedicated platforms (e.g., commercial databases, data analysis/mining tools, etc.) • purchasing of equipment for the detection of illicit trade <u>Qualitative</u> Evidence from Reports or studies / analysis carried out in the context of technical assistance interventions proving that these activities were effective in contributing to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities.		
Q 6.2 In case a specific technical assistance activity funded by	<u>Quantitative/opinion-based</u> Share (%) of surveyed /	Evidence/list of factors that influenced the pursuit of limiting the	<u>Consultation activities</u> Semi-structured interviews

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
UAFP's budget effectively contributed to the pursuit of limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome? The following list of factors shall be considered non-exhaustive: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Practical experience. For instance, whether the beneficiaries	interviewed stakeholders agreeing / disagreeing that the following list of factors influenced / impacted the effectiveness of the activities funded under the technical assistance of the UAFP in limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Other exogenous factors contributing	known exposure to the financial interests of the Union	and Surveys with: beneficiaries Desk research

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
of funds gained already a practical experience in making use of the technical system activities in practice. • Other exogenous factors contributing to or hindering the effectiveness of a certain intervention.	to or hindering the effectiveness of a certain intervention.		
TRAINING			
Q7. To what extent have training activities contributed to improving the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation?			
Q7.1 To what extent have the following training activities contributed to improving the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation?	<u>Quantitative</u> • Number and types of training activities funded through the UAFP (Hercule component) per the following activity types: • Staff exchanges between national and regional administrations (including candidate and neighbouring countries) to help further develop, improve, and update staff's competences in protecting the EU's financial interests. • Share of training activities-related	• The training activities funded under the Hercule component of the UAFP contributed to improving the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation. • Coherence between identified gaps and activities planned. • Appropriateness of the methodologies	<u>Desk research</u>: Participants Feedback Post-activity reports Feedback forms from training participants. <u>Consultation activities</u> Semi-structured interviews and Surveys with: beneficiaries, training participants (Hercule)

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	actors (e.g., participants, organisers, etc.) agreeing / disagreeing that training activities contributed to improving the prevention and investigation of fraud and other illegal activities, an enhanced transnational and multi-disciplinary cooperation. • Number of participants <u>Quantitative/Qualitative</u> Feedback received from participants to training sessions, staff exchanges and other relevant events. Share of participants that believe the training activities have contributed to improving the prevention and investigation of fraud and other illegal activities through an enhanced transnational and multi-disciplinary cooperation	used for assessing the training needs	
Q8. To what extent have training activities facilitated the exchange of information, experiences, and best practices with a view to strengthening the fight against fraud detrimental to the EU's financial interests?			

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
Q8.1 To what extent have the following training activities facilitated the exchange of information, experiences, and best practices with a view to strengthening the fight against fraud detrimental to the EU's financial interests?	<u>Quantitative/opinion based:</u> • Share of training activities-related actors (e.g., participants, organisers, etc.) agreeing / disagreeing that the following training activities facilitated the exchange of information, experiences, and best practices with a view to strengthening the fight against fraud detrimental to the EU's financial interests. • Share of participants that believe the training activities have facilitated the exchange of information, experiences, and best practices with a view to strengthening the fight against fraud detrimental to the EU's financial interests.	• The training activities facilitated the exchange of information, experiences, and best practices with a view to strengthening the fight against fraud detrimental to the EU's financial interests. • Conferences, workshops and seminars (a) facilitated the exchange of information, experience and best practices, including in the field of data analysis; (b) created networks and improve coordination between Member States, candidate countries, other third countries, EU institutions and international organisations; (c) facilitated multidisciplinary cooperation between anti-fraud practitioners and academics on protecting the EU's financial interests,	<u>Desk research:</u> Post-activity reports; Participants' feedback <u>Consultation activities:</u> Semi-structured interviews and Surveys with beneficiaries and training participants (Hercule),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
		including support to associations for European criminal law and for the protection of the EU's financial interests; and (d) raised the awareness of the judiciary and other legal professionals of this matter. • Staff exchanges between national and regional administrations (including candidate and neighbouring countries) helped further develop, improve, and update staff's competences in protecting the EU's financial interests	
Q 9To what extent have training activities contributed to develop the legal and judicial protection of EU's financial interests?			
Q 9.1 To what extent have training activities contributed to developing comparative law studies and organising activities to raise awareness among the judiciary and other branches of the legal profession on	Number of comparative law studies and organising activities to raise awareness among the judiciary and other branches of the legal profession on protecting the EU's financial interests, including the dissemination of relevant scientific	The training activities contributed to development of the legal and judicial protection of EU's financial interests	<u>Desk research</u> Post-activity reports Feedback from participants <u>Consultation activities</u> Semi-structured interviews and Surveys

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
protecting the EU's financial interests, including the dissemination of relevant scientific knowledge through periodical publications?	knowledge through periodical publications funded through the UAFP (Hercule component) Share (%) of surveyed stakeholders agreeing /disagreeing that the UAFP fund proved effective in developing: • comparative law studies, • organising activities to raise awareness among the judiciary and other branches of the legal profession on protecting the EU's financial interests. • including the dissemination of relevant scientific knowledge through periodical publications		with beneficiaries and training participants (Hercule),
Q 10. To what extent has the IMS component of the UAFP's budget been effective in strengthening the IMS system and in contributing to the enhanced reporting of irregularities and fraud within OLAF's strategic priorities remit?			
Q 10.1 To what extent were new developments/features of the IMS introduced as a direct result of the activities funded under the UAFP? To what extent are these interventions on the IMS contributing to the effective	<u>Quantitative</u> Number of new developments/ features of the IMS introduced as a direct result of the activities funded under the UAFP. Quantitative/opinion-based Share (%) of	The IMS component of the UAFP's budget have strengthened the IMS system and contributed to the enhanced reporting of irregularities and fraud within OLAF's strategic priorities remit	<u>Desk research</u> Monitoring and evaluation reports <u>Consultation activities</u> Semi-structured interviews with service users (IMS),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
achievement of OLAF's strategic priorities for the period 2020-2024 and beyond?	stakeholders agreeing / disagreeing that these interventions on the IMS contributed to the effective achievement of OLAF's strategic priorities for the period 2020-2024 and beyond. <u>Qualitative</u> Reports or studies (e.g., evaluation of the IMS activities) highlighting that the new developments/features of the IMS introduced as a direct result of the activities funded under the UAFP contributed to the effective achievement of OLAF's strategic priorities for the period 2020-2024 and beyond.		
Q 10.2 To what extent did the new developments / features of the IMS funded through the UAFP programme prove	Quantitative/Opinion Share (%) of stakeholders agreeing / disagreeing that these interventions on the IMS	The IMS component of the UAFP's budget have strengthened the IMS system and contributed to the enhanced reporting of	<u>Desk research</u> Monitoring and evaluation reports <u>Consultation activities</u>

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
beneficial for enhancing the exchange of information on irregularities and fraud and, conversely, in boosting the interoperability of the exchange of information systems across the EU Member States?	contributed to the effective exchange of information on irregularities and fraud and, conversely, in boosting the interoperability of the exchange of information systems across the EU Member States <u>Qualitative</u> Reports or studies (e.g., evaluation of the IMS activities) highlighting that the new developments/features of the IMS introduced as a direct result of the activities funded under the UAFP exchange of information on irregularities and fraud and, conversely, in boosting the interoperability of the exchange of information systems across the EU Member States	irregularities and fraud within OLAF's strategic priorities remit	Semi-structured interviews with service users (IMS),
Q10.3 To what extent the activities funded under IMS component of the	<u>Quantitative/Opinion-based</u> A share (%) of the	The activities contributed to limiting the currently known	<u>Consultation activities</u> Semi-structured interviews

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
UAFP's budget effectively contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?	surveyed / interviewed stakeholders highlighting that the following activities did / did not contribute to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities. <u>Qualitative</u> Evidence from Reports or studies / analysis conducted in the context of technical assistance interventions proving that these activities were effective in contributing to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities.	exposure of the financial interests of the Union to fraud, corruption, or other illegal activities. Extent to which is activities is deemed to have/not contributed to limiting the exposure of the financial interests of the Union to fraud and other illegal activities	with service users (IMS), <u>Desk research</u>
Q 10.4 In case a specific activity funded under IMS component of the UAFP's budget effectively contributed to the	<u>Quantitative/opinion-based</u> Share (%) of surveyed / interviewed stakeholders agreeing /	Evidence/list of factors that influenced the pursuit of limiting the known exposure to the financial	<u>Consultation activities</u> Semi-structured interviews and Surveys with: beneficiaries

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
pursuit of limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome? The following list of factors shall be considered non-exhaustive: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Practical experience. For instance, whether the beneficiaries of funds gained already a practical experience in	disagreeing that the following list of factors influenced / impacted the effectiveness of the activities funded under the technical assistance of the UAFP in limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Other exogenous factors contributing to or hindering the effectiveness of a certain	interests of the Union	, non-successful applicants, service users (IMS), Desk research

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
making use of the technical system activities in practice. • Other exogenous factors contributing to or hindering the effectiveness of a certain intervention.	intervention.		
Q 11. To what extent has the AFIS component of the UAFP's budget been effective in strengthening the AFIS system and in contributing to the enhanced development of the set of anti-fraud IT applications operated by OLAF?			
Q11.1 To what extent has the AFIS component of the UAFP's budget contributed to the effective development of additional application releases / fixes contributing to enhancing AFIS' implementation?	<u>Quantitative</u> Number of additional application releases / fixes contributing to enhancing AFIS' implementation developed as part of the AFIS component of the UAFP budget. <u>Quantitative/opinion-based</u> Share (%) of stakeholders agreeing / disagreeing that the AFIS component of the UAFP's budget contributed to the effective development of additional application releases / fixes contributing to enhancing AFIS'	The AFIS component of the UAFP's budget has been effective in strengthening the AFIS system and in contributing to the enhanced development of the set of anti-fraud IT applications operated by OLAF	<u>Desk research</u> Monitoring and evaluation reports <u>Consultation activities</u> Semi-structured interviews and Surveys with service users (AFIS),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	implementation.		
Q11.2 To what extent the activities funded under AFIS component of the UAFP's budget effectively contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?	<u>Quantitative/Opinion-based</u> Share (%) of the surveyed / interviewed stakeholders highlighting that the following activities did / did not contribute to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities. <u>Qualitative</u> Evidence from Reports or studies / analysis conducted in the context of technical assistance interventions proving that these activities were effective in contributing to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities.	The activities contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities. Extent to which is activities is deemed to have/not contributed to limiting the exposure of the financial interests of the Union to fraud and other illegal activities	<u>Desk research</u> Monitoring and evaluation reports <u>Consultation activities</u> Semi-structured interviews and Surveys with service users (AFIS)
Q 11.2 In case a	<u>Quantitative/opinio</u>	Evidence/list of	

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
specific activity funded under IMS component of the UAFP's budget effectively contributed to the pursuit of limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome? The following list of factors shall be considered non-exhaustive: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a certain intervention • Practical	n-based Share (%) of surveyed / interviewed stakeholders agreeing / disagreeing that the following list of factors influenced / impacted the effectiveness of the activities funded under the technical assistance of the UAFP in limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities, were there factors that influenced/impacted this outcome: • Human resource-related factor. For instance, whether the beneficiaries of a certain activity were sufficiently trained/competent to effectively use a certain intervention; • Funds and resources. Whether the allocated resources were sufficient to ensuring the effectiveness of a	factors that influenced the pursuit of limiting the known exposure to the financial interests of the Union	

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
experience. For instance, whether the beneficiaries of funds gained already a practical experience in making use of the technical system activities in practice. • Other exogenous factors contributing to or hindering the effectiveness of a certain intervention.	certain intervention • Other exogenous factors contributing to or hindering the effectiveness of a certain intervention.		
Q 12. To what extent are the (positive) effects of the intervention likely to last after the intervention has ended?			
Q 12.1 To what extent are there activities or aspects of the interventions reinforcing OLAF's priorities from *Hercule I* to the current UAFP programme? What factors of the overall intervention contributed to determine its positive effects? What factors hindered the positive effects of the interventions?	Share (%) of surveyed stakeholders agreeing /disagreeing that there are activities or aspects of the interventions that have been constantly reinforcing OLAF's priorities from *Hercule I* to the current UAFP programme, including contributing and hindering factors to determine its positive outcome. Perceptions of	The (positive) effects of the intervention are likely to last after the intervention has ended	Desk research Post-activity reports Feedback from participants to the activities Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	stakeholders of activities that are reinforcing OLAF's priorities from *Hercule I* to the current UAFP programme? Perceptions of stakeholders of factors that contribute and hinder the positive outcome of the intervention.		
EFFICIENCY			
Q13 To what extent have the desired effects been achieved at reasonable costs on the basis of a cost/benefits analysis (with quantification and qualitative analysis)?			
Q13.1 To what extent have the desired effects been achieved at reasonable costs on the basis of a cost/benefits analysis (with quantification and qualitative analysis)?	• Cost/benefit results indicating that the desired effects of the UAFP interventions have been achieved at reasonable costs. • Share (%) of surveyed and interviewed stakeholders highlighting that the cost of the interventions was reasonable for obtaining the desired outcomes. • The total cost of the intervention should be taken into account when responding to the survey question(s) about costs and benefits, and not	The desired effects have been achieved at reasonable costs based on a cost/benefits analysis (with quantification and qualitative analysis	Desk research Internal reports (OLAF) Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS), Case studies

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
	only the costs borne by the authority.		
Q14 **To what extent have the UAFP facilitated a more integrated use and simplified management of financial resources? Could the same degree of effects have been achieved with lower costs with simpler procedures, involving less administrative burden and/or with different implementation mechanisms?**			
Q 14.1 To what extent have the UAFP facilitated a more integrated use and simplified management of financial resources? Q 14.2 Could the same degree of effects have been achieved with lower costs with simpler procedures, involving less administrative burden and/or with different implementation mechanisms? Q 14.3 To what extent has does the UAFP allow for more budgetary flexibility?	Quantitative/opinion-based • Share (%) of stakeholders agreeing / disagreeing that the three components led to a simplified management of financial resources. • Share (%) of surveyed and interviewed stakeholders highlighting that the effects could have been achieved with lower costs with simpler procedures, involving less administrative burden and/or with different implementation mechanisms. Qualitative/opinion base Positive/negative view of stakeholders on the degree to which financial resources can be more easily managed.	• The UAFP has facilitated financial management and the internal anti-fraud control. • The same degree of effects has been achieved with lower costs with simpler procedures, involving less administrative burden and/or with different implementation mechanisms. • The budgetary flexibility of the UAFP allows to better face changing priorities and unforeseen events	<u>Desk research</u> Internal reports (OLAF) Post-activity reports <u>Consultation activities</u> Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
COHERENCE			
Q15 Are, and to what extent, the three components and the different types of actions of the programme coherent among each other? (*Internal coherence*):			
Q15.1 (*internal coherence*): Are, and to what extent, the three components and the different types of actions of the programme coherent among each other?	• Share (%) of stakeholders surveyed and interviewed pointing out that (a) the three components of the UAFP and (b) the different types of actions of the programme coherent among each other. • Number of activities covering the specific objectives of the UAFP • Number of actions per OLAF strategic objectives • Share (%) of activities, which are complementary to each other.	The three components and the different types of actions of the programme are coherent among each other	Desk research Internal reports (OLAF) Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),
Q16 To what extent are the interventions of the programme coherent with other measures or actions taken at EU level by the Commission or Institutions, bodies, agencies, which also may have contributed to the protection of the Union's financial interests? (*External coherence*):			
Q16.1 (*external coherence*): To what extent are the interventions of the programme coherent with other measures or actions taken at EU level by the	• Typology of similar interventions at an EU level • Share (%) of surveyed and interviewed stakeholders	The interventions of the programme are coherent with other measures or actions taken at EU level by the Commission or Institutions,	Desk research OLAF's Strategic Plan European Commission's policies on anti-fraud

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
Commission or Institutions, bodies, agencies, which also may have contributed to the protection of the Union's financial interests?	agreeing / disagreeing on the fact that the interventions of the Programme are coherent with other measures or actions taken at EU level by the Commission or Institutions, bodies, agencies, which also may have contributed to the protection of the Union's financial interests. • Share (%) of similar / complementary activities funded through different EU instruments.	bodies, agencies, which also may have contributed to the protection of the Union's financial interests	and anti-corruption Consultation activities Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),
EU ADDED VALUE			
Q17 Has the programme allowed delivering results that could not, or to a lesser extent, be achieved by interventions undertaken only at national or regional level?			
Q17.1 Has the programme allowed delivering results that could not, or to a lesser extent, be achieved by interventions undertaken only at national or regional level? Q17.2 Does the intervention at EU level provide added value in terms of the efficient use of financial resources as	Share (%) of surveyed and interviewed stakeholders agreeing / disagreeing that the programme allowed delivering results that could not, or to a lesser extent, be achieved by interventions undertaken only at national or regional level	The programme allowed delivering results that could not, or to a lesser extent, be achieved by interventions undertaken only at national or regional level	Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),

Evaluation questions and sub-questions	Indicators	Judgement criteria	Methodological tools for data collection and analysis
compared to a possible intervention at national level?			
Q17.3 Does the intervention at EU level provide added value in terms of the efficient use of financial resources as compared to a possible intervention at national level?	Share (%) of surveyed and interviewed stakeholders agreeing / disagreeing that the intervention at EU level provide added value in terms of the efficient use of financial resources as compared to a possible intervention at national level	The intervention at EU level provided added value in terms of the efficient use of financial resources as compared to a possible intervention at national level	Consultation activities Semi-structured interviews and Surveys with: beneficiaries, non-successful applicants, service users (IMS, AFIS),

2. Details on the evaluation method and matrix

As concluded during the inception phase, the stakeholder consultations conducted under this study include three targeted online surveys, targeted interviews, and a planned workshop. The results of the consultations can be found in Annex V.

The study planned targeted surveys in order to gather inputs from national level stakeholders. These surveys included surveys targeting applicants to the Hercule component call for proposals including beneficiaries, applicants pending a decision, applicants whose application was rejected, as well as a survey of registered AFIS users.

ICF has completed the surveys of applicants under the Hercule component call for proposals. ICF sent surveys to all applicants of the Hercule component from 2021 to 2023. To maximise the response rate from applicants, ICF extended the survey period and followed up with survey recipients to encourage response. All participants have received the survey twice and, in cases when the survey was not complete, they have also received individual reminders/invites to complete the survey.

This round of surveys produced 29 usable survey answers from beneficiaries (29 successful respondents), 14 usable survey answers from applicants (14 usable respondents), and only one unsuccessful participant answered the survey. Survey

respondents provided insights into the process and results of their applications and interventions (where successful) under the UAFP.

ICF has analysed the responses received through these surveys and incorporated the results into the findings below.

The survey of the Council Working Party on Combating Fraud members was completed. There were only three replies (three usable respondents). The survey was drafted by ICF and distributed by the Council Secretariat-General, through OLAF.

The targeted survey of AFIS users has also been completed. As agreed, ICF has contributed to the design and creation of this survey. ICF has provided inputs and contributed survey questions into the AFIS satisfaction survey, which was circulated directly via the AFIS Liaison Officers in the Member states to AFIS users. ICF received the raw data from the surveys on the 9th of February 2024.

The study team has also conducted eight scoping interviews at the inception stage. It also conducted some further scoping interviews with OLAF officials during the interim phase of the study. This, to further understand how AFIS functions and to adjust the additional interview questionnaire to be provided in the AFIS satisfaction survey.

Additionally, the study team has conducted 43 stakeholder interviews at both the national and EU level. ICF has used the results of the interim report to identify data gaps and adjust the interview questionnaires in order to address such gaps into the interview process. The study team consulted the following stakeholders:

- Beneficiaries of the Hercule component (both technical assistance and training activities)
- European Commission stakeholders (particularly regarding coherence): staff members from different Directorates-General of the Commission
- AFIS and IMS stakeholders.

Finally, ICF has incorporated inputs from a stakeholder workshop organised on the 16th of April 2024. ICF presented the draft final report to European Commission officials (Inter-Service Steering Group members and other Commission staff) at the OLAF premises.

3. Answers to the evaluation questions

This section presents the analysis and cross-referencing of the evidence collected by the study team to respond to the evaluation questions of the study.

3.1 Effectiveness

This section examines the extent to which the three components of the UAFP have been effective in reaching their respective objectives, as well as the factors that either facilitated or **hindered** the implementation of planned interventions. It also reviews the

activities from the perspective of enhancing transnational cooperation and multidisciplinary cooperation.

3.1.1 Main conclusions: effectiveness of the UAFP

- The assessment of all data sources indicates that the UAFP interventions have been effective. At this stage of the implementation of the three components of the programme, the activities have improved (or have the potential to improve) the prevention, detection, and investigation of fraud and other illegal activities detrimental to EU financial interests. The three components also have the potential to contribute to enhancing transnational and multidisciplinary cooperation. Overall, compared to the baseline, effectiveness has remained at the same level or has improved since the start of the programme
- According to survey responses from applicants/beneficiaries and feedback from beneficiaries of the Hercule component, the technical assistance interventions have contributed significantly to multidisciplinary cooperation
- Several factors influence the effective implementation of technical and operational activities, both positively and negatively. Survey responses from applicants/beneficiaries highlighted administrative capacity, internal procedures within the their organisations, and the availability of (national) funds and resources

Source: ICF analysis.

3.1.2 To what extent have the training actions and technical assistance funded under the UAFP been effective in improving the activities linked to prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial interests?

3.1.2.1 Hercule component

Overall, the training actions and technical assistance funded and provided under the UAFP have been effective and/or have the potential to be effective in improving the prevention, detection and investigation of fraud and other illegal activities detrimental to EU financial interests.

About 73% of the 2021 budget, allocated to the first component of the UAFP, or an equivalent amount of EUR 11 100 000, was to be allocated to fund activities by awarding grants to prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests. The Commission published a specific call for proposals to provide financial support for training, conferences, seminars, studies, webinars and e-learning activities.

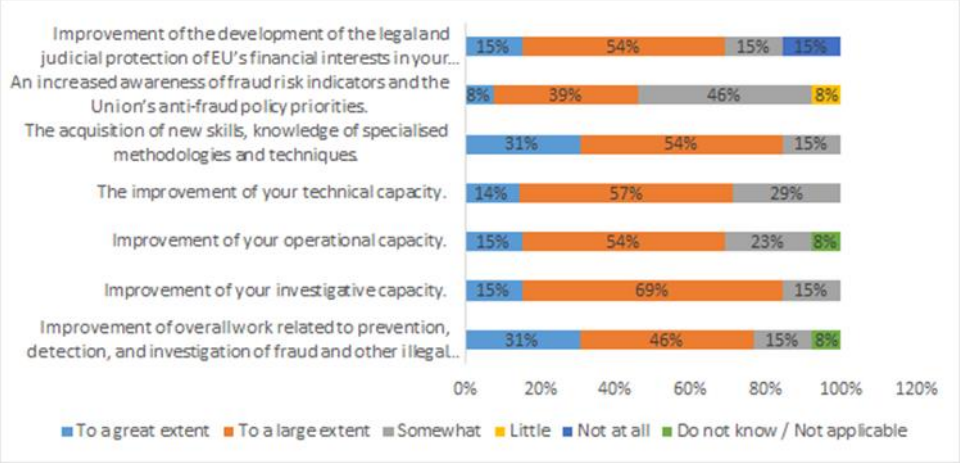
The overall indicative budget for the training call in 2021 was EUR 1 600 000 or approximately 14.4% of EUR 11 100 000 being allocated to training activities through grants, contributing to achieving this specific objective of the programme.

OLAF measures the fulfilment of this specific objective through two performance indicators. The first accounts for the added value and effective use of the co-financed technical equipment funded under the UAFP (as reported by direct users).

In the final project reports for 2021, beneficiaries recorded a 97% satisfaction rate for the equipment funded under the UAFP, surpassing the target of 75%[146]. In addition, the programme performed well on the second performance indicator, which measures the number of training activities funded and the associated satisfaction rate. For the training grants finalised in 2021, participants and trainees had a satisfaction rate of 91%, stating that the activities were very well suited to their needs[147].

The activities supported by the UAFP have contributed significantly to improving beneficiaries' work (77%). Beneficiaries also pointed out that the programme has contributed significantly to improving their investigative capacity (84%), operational capacity (69%), and technical capacity (71%). All beneficiaries agreed that the projects supported by the UAFP have contributed to the acquisition of new skills and knowledge of specialised methodologies and techniques.

Figure 2 - Improvements attributed to the UAFP Hercule component



Source: OLAF, survey of applicants/beneficiaries (N=29).

Compared to the budgeted amounts, the commitment rate was 96% in 2021, and over 98% in 2022, indicating that the UAFP funds were used to support activities linked to prevention, detection and investigation of fraud and other illegal activities.

The interviews with beneficiaries and the case studies on selected projects showed that the supported actions focus on the following outputs and benefits:

- Improved investigative and surveillance capabilities and capacities through acquiring state-of-the-art communication surveillance equipment, upgrading

[146] European Commission, Programme Performance Statements (PPS), Anti-fraud, 2023, available here: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en#:~:text=In%202023%2C%20the%20programme%20committed,of%20the%20COVID%2D19%20period

[147] Idem supra.

existing surveillance systems and tools, and training personnel to operate the newly acquired equipment;

- Improved quality of data and evidence, and the ability to exchange data with partners from other Member States and EU agencies and participate in trans-border investigations;
- Enhanced performance of investigative authorities and LEAs through the acquisition of equipment and software that increases the volume and speed of data processing by enabling the use of AI and digitisation in activities such as evidence review, data classification, and identity verification;
- Training activities, conferences, study visits and publications have enhanced transnational cooperation among the parties involved in protecting the EU's financial interests and have contributed to applying a multidisciplinary approach to combating fraud and other illegal activities, including bringing together academic researchers and practitioners.

3.1.2.2 AFIS component

Unlike the Hercule component, AFIS does not provide financial support to applicants to develop projects. It is organised and managed by annual working programmes and its main objective is to facilitate the exchange of fraud-related information between competent national and EU administrations.

AFIS's effectiveness can be evaluated by its outputs (e.g. number of new applications developed, number of upgrades performed or features added, number of mutual assistance activities, such as JCOs, supported).

A KPI for AFIS is the number of information items on mutual assistance made available. In assessing the impact of AFIS's outputs, the key indicator is the level of satisfaction of its users, as measured by periodic user surveys. The results from the latest (2023) survey are compared to results from the previous one (2019) in the table shown below.

AFIS's budget performance is determined by the OLAF-established indicator, which reflects the amount of mutual assistance information made available and the number of supported mutual assistance-related activities. For the period 2021-2023, the targets for this indicator were exceeded.

The AFIS budget has enhanced mutual administrative assistance among customs authorities in the EU, supporting 35 JCOs and organising training sessions for key AFIS applications, such as CIS, VOCU, CSM and AMT[148].

The 2023 user satisfaction survey confirmed that AFIS remains a useful tool for end users. The percentage of users satisfied with the functionality and performance of the various AFIS applications remained at a high level (with the most frequently used

[148] Data provided by OLAF (AFIS).

application achieving over 80% satisfaction rates). There are some **minor** variations compared to the results of the 2019 AFIS satisfaction survey (see table hereafter).

There was a notable decline in the satisfaction rates for the CSM application (4 percentage points (pp)), but it nevertheless remained well above 80%. The 2023 survey results are based on 1 320 responses, while the 2019 survey was based on 799 responses (65% increase in respondents).

Table 2 - Comparison of satisfaction with AFIS's key applications: 2019 and 2023

Indicator	AFIS 2019 result	AFIS 2023 result	Change (%points)
Number of responses (total)	799	1 320	+65
Helpdesk (availability/ performance)	92% / 89%	93% / 90%	+1 / +1
AFIS Mail (functionality/ performance)	87% / 86%	86% / 86%	-1 / =
CIS+ (functionality/ performance)	85% / 86%	83% / 86%	-2 / =
CSM (functionality/ performance)	91% / 92%	87% / 88%	-4 / -4
General opinion (relevant to professional needs – agree/slightly agree)	57% / 27%	59% / 23%	+2 / -4

Source: AFIS satisfaction survey 2019 and 2023 (N=1 320).

The 2023 survey confirmed that AFIS is able to deliver functioning tools for information exchange in its dedicated area of action. Two-thirds of respondents believed that the available applications in AFIS provide up-to-date tools to tackle the latest trends in fraud and related irregularities.

3.1.2.3 IMS component

Like AFIS, IMS is not a financing programme supporting grantees on a project basis. Rather, its main function is to facilitate the reporting of suspected and/or detected irregularities in the implementation of EU funds. The system is used by Member States and other beneficiaries (34 countries, 789 organisations, with over 3 230 registered users as of March 2024)[149].

[149] Data provided by OLAF (IMS).

Users and stakeholders perceive the system as a useful reporting and tracking tool and identified several strengths:

- It is the only system in the EU where data on past and/or closed cases of irregularities are collected and can be searched;
- IMS provides contextual information on irregularities and on the state of the fraud, identified in the Member States, candidate countries and third countries;
- IMS provides a standardised tool to collect data on irregularities;
- The majority of users find the system reliable and user-friendly, highlighting features such as visibility of data, downloadable, availability of data in native languages of Member States;
- IMS interfaces with national databases and can support automatic data transfer.

Identified weaknesses in IMS's technical properties and management of the system, as well as users' data entry are:

- Issues related to authentication;
- Difficulties when searching for information, time-consuming checks of irregularities;
- Insufficient communication on updates and improvements to IMS;
- Insufficient guidance on which information to insert;
- Data quality: not all cases were entered into the system and not all information on the cases was available (completeness). The insertion of data by different users in distinct Member States, regions, etc. was not always consistent, homogeneous, or coherent (reliability and consistency).The data were not always up-to-date with the most recent events (promptness).

There are no sanctions for countries that do not fully report, and this may somewhat explain the lower rate of use of the system by contributing authorities. OLAF investigators and selectors, as well as Commission users from shared management programmes, also use data from IMS to a relatively low extent. This stems from the issues described, as well as a lack of awareness of how the system functions and what it can offer.

However, the IMS and its associated specific objective have been relevant to achieving the general objective of protecting the Union's financial interests, with the system showing encouraging signs of being a useful tool for Member States to report irregularities and contribute to the broader fight against fraud.

The 2023 AFIS satisfaction survey contained questions on the functionality and performance of IMS. The combined satisfaction rate (functionality and performance) of IMS users was approximately 91%[150], compared to 72% in 2019.

[150] AFIS satisfaction survey 2023. The satisfaction rate of IMS users is a combination of the satisfaction rate of functionality and performance of the application after the removal of the 'do not know' responses. This matches the approach taken by OLAF in assessing satisfaction with IMS.

At the same time, interviews with several IMS country managers revealed areas for improvement; for instance, there are too many fields and their descriptions are sometimes confusing. The ongoing upgrade of IMS has yet to improve the user experience, with users instead faced with increasing demands to report more data and improve the quality of data entry, which may also affect their satisfaction levels.

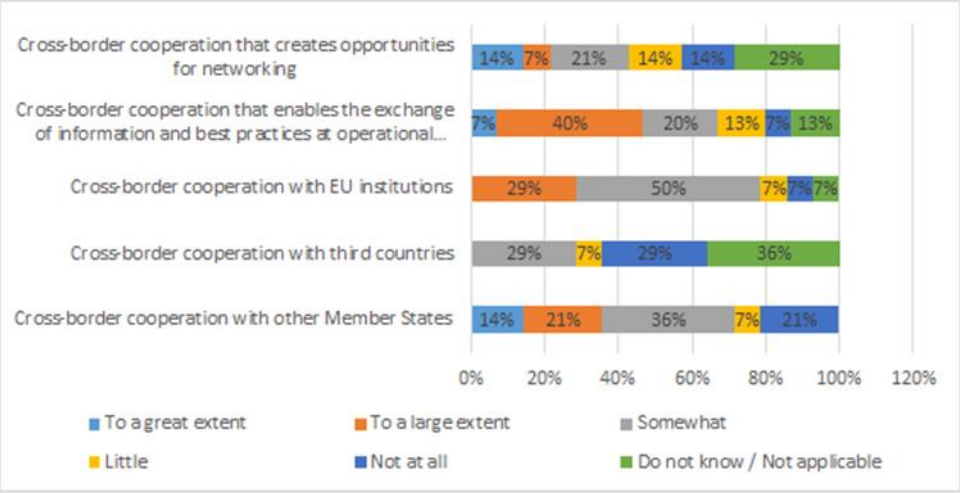
3.1.3 To what extent have the activities funded by the UAFP contributed to enhanced transnational cooperation?

The activities supported by the UAFP have contributed significantly to enhanced transnational cooperation among the beneficiaries. This conclusion is based on the review of the OLAF survey of applicants/beneficiaries, interviews with beneficiaries of grants awarded under the Hercule component, and the exchange of information between Member States and EU authorities facilitated by AFIS and IMS.

Of the beneficiaries of the Hercule component, 71% agreed that the UAFP has contributed to trans-border cooperation. More specifically, the interventions have created networking opportunities and facilitated the exchange of information and best practice. The strongest impact was on cooperation among EU Member States (71%), while the programme's impact on cooperation with non-EU countries was relatively limited (about two-thirds of respondents believed that the programme made little or no contribution to cooperation with non-EU countries).

However, Member State applicants may apply for support with projects involving non-EU countries, where relevant and necessary for ensuring the protection of the EU financial interests, and the amount of these projects depends on the amount of applications received. Beneficiaries of Hercule III agreed that the projects had a positive effect on transnational cooperation, but no specific data were available from the end user survey to draw a direct comparison with the UAFP results on this indicator.

Figure 3 - Contribution of UAFP interventions to transnational cooperation



Source: OLAF survey of applicants/beneficiaries (N=15).

The technical assistance and training awards granted under the Hercule component have made a strong contribution to transnational cooperation, as evidenced by the in-depth review of ongoing and completed projects. Several ways of enhancing transnational cooperation have been identified:

- Projects under the calls for training, conferences, staff exchanges and studies provide opportunities for networking at conferences, seminars and bilateral study visits, and for the exchange of ideas and information through academic research and periodicals (e.g. Eucrim platform that serves as a forum for Europe-wide criminal law);
- Technical assistance projects enhance transnational cooperation even when activities are focused on one Member State. Beneficiaries reported reaching out to partners in other countries during their market research on equipment and suppliers as part of their procurement efforts. In addition, the technical assistance projects improved beneficiaries' ability to respond to requests from EU partners for investigative evidence or data related to fraud, corruption and the shadow economy. Another benefit mentioned is stronger capacity to engage in joint operations with other Member States, Europol, Eurojust and other international organisations.

Further details on specific modes of transnational cooperation (e.g. training involving both trainees and trainers from several Member States) are presented in the four case studies. For instance, one project in Lithuania delivered training to forensic experts from four Member States (Estonia, Croatia, Latvia and Lithuania) and Ukraine.

Transnational cooperation is enhanced by the functioning of AFIS and IMS, both of which provide a platform for the exchange of information between users from all Member States. The transnational dimension is also seen as one of IMS' strengths.

Several AFIS applications (the Anti-Fraud Transit Information System (ATIS), VOCU, AFIS Mail, etc.) enhance cooperation with a large number of non-EU countries. The JCOs supported by AFIS also contribute to cooperation with EU and international organisations (e.g. Europol, Frontex, EUBAM, and the World Customs Organization)[151].

3.1.4 To what extent have the technical assistance interventions contributed to a multidisciplinary cooperation?

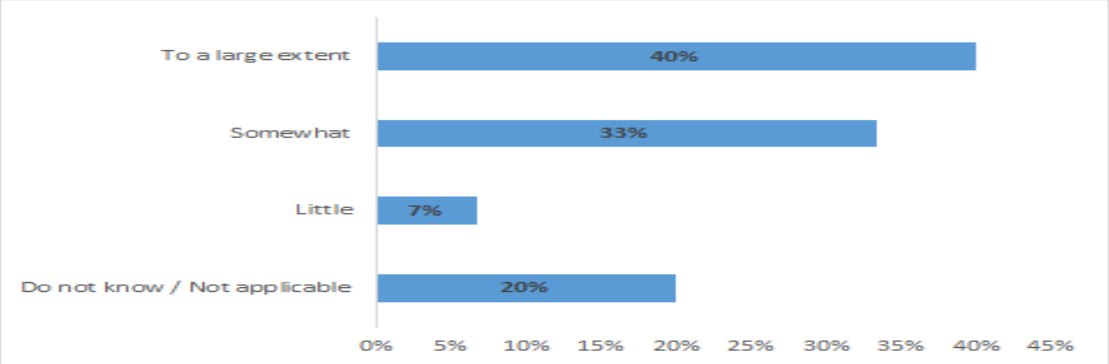
The technical assistance interventions have contributed to multidisciplinary cooperation to a large extent, according to responses from OLAF's survey of applicants/beneficiaries and feedback from beneficiaries of Hercule component projects. From the application stage to the preparation of the technical specification, carrying out the procurement procedures, organising training and knowledge exchanges, the project teams have relied on the coordinated activities of experts from a variety of disciplines.

Multidisciplinary cooperation has also been **enhanced** by the participation in project teams of practitioners from law enforcement agencies and anti-fraud agencies, as well as

[151] Stakeholder consultation with OLAF (AFIS).

academics and trainers from universities and research institutions. Of the beneficiaries of the Hercule component, 73% confirmed that the UAFP has contributed to multidisciplinary cooperation.

Figure 4 - Contribution of UAFP interventions to multidisciplinary cooperation



Source: OLAF survey of applicants/beneficiaries (N=15).

The feedback from Hercule project beneficiaries confirmed that the preparation of the applications and the implementation of the project activities would have been impossible without the involvement of multidisciplinary teams. More specifically, the following types of experts have collaborated under the UAFP: law enforcement officers, prosecutors, tax and customs officers, software and hardware engineers, video and audio communication experts, statisticians, economists, legal experts, project managers, and financial experts. All projects reviewed in the case studies have demonstrated this multidisciplinary approach in their activities.

For instance, the project in Latvia, on new surveillance equipment, required the expertise of mobile communication engineers, automobile experts, investigators (with knowledge of tobacco and excise goods smuggling), procurement experts and project managers.

Similarly, a Spanish project targeting the criminal use of parcel services to smuggle illicit goods in and out of Spain necessitated a multidisciplinary approach to the procurement and training on scanner vans, portable scanners and remotely operated underwater vehicles.

Most of the other projects focusing on digital forensics and data analytics create enhanced cooperation between IT experts and fraud investigators. Studies, conferences and training bring together social science researchers with practitioners from national customs and anti-corruption authorities.

One beneficiary pointed out that the multidisciplinary approach, particularly the participants at conferences and training activities, is a strength that helps the UAFP to compare favourably to other EU programmes, which tend to be more restrictive in the selection of beneficiaries. Another strong point is the opportunities it creates for practitioners and academics to work together in the framework of one intervention (e.g. a study in Italy and a periodical in Germany).

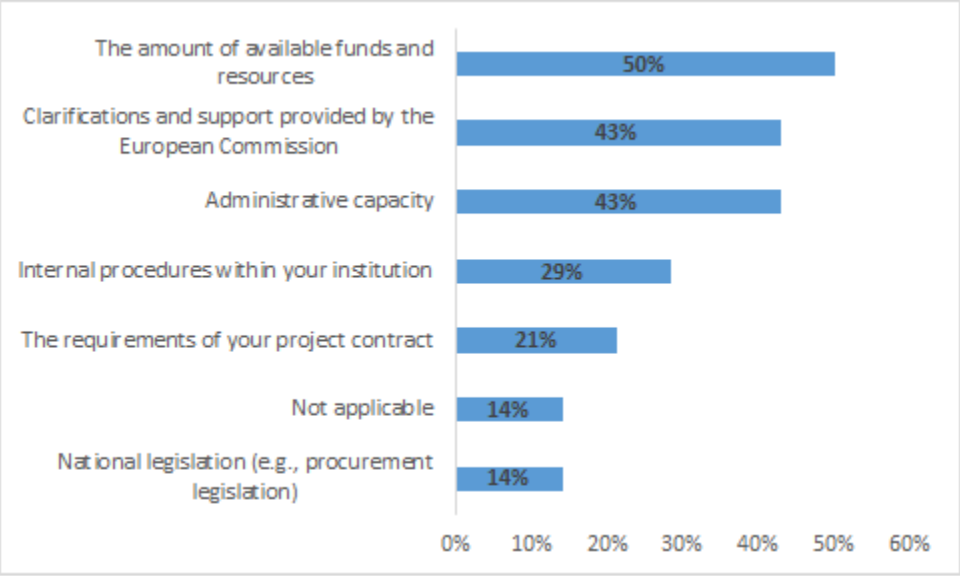
AFIS's support to JCOs is an example of interventions that enhance multidisciplinary cooperation, as the JCOs often involve participants from law enforcement and border security services, in addition to customs agents.

3.1.5 What factors influenced the effective implementation of the technical and operational activities funded under the first component of the UAFP budget?

Several factors influenced the effective implementation of the technical and operational activities, both positively and negatively. The main factors mentioned by survey respondents are administrative capacity, internal procedures within their organisation, and the amount of funds and resources available.

Among the positive factors, respondents most often mentioned the amount of funds and resources (50%) and administrative capacity (43%). The clarification support provided by the Commission was also noted as a positive factor by 43% of beneficiaries.

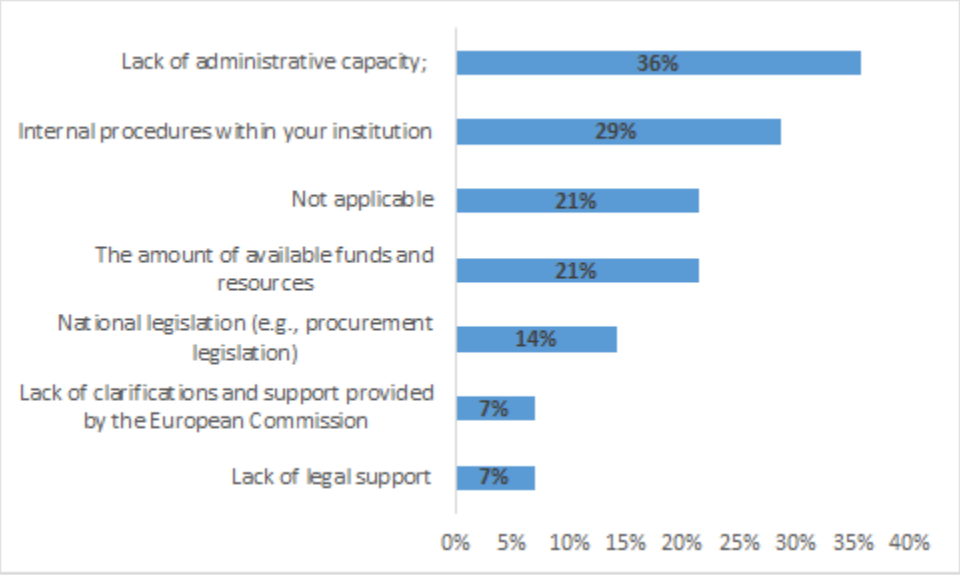
Figure 5 - Factors supporting the implementation of UAFP interventions



Source: OLAF survey of applicants/beneficiaries (N=15).

The highest weight among the negative factors was attributed to the lack of administrative capacity (36% of beneficiaries) within the applicants' administration, followed by internal procedures in their organisation (29%), and the amount (lack) of funds and resources (21%).

Figure 6 - Factors hindering the implementation of UAFP interventions



Source: OLAF survey of applicants/beneficiaries (N=15).

Certain factors, such as administrative capacity and the amount of resources available, were mentioned by some beneficiaries as contributing to the effective implementation of their projects, but by others as factors preventing the implementation of the planned activities. This highlights the significance of national specifics influencing the effectiveness of the programme's interventions.

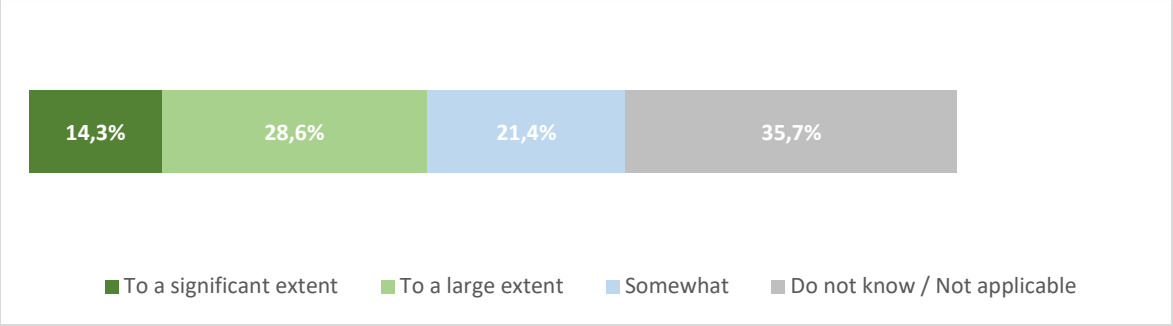
3.1.6 How did technical assistance activities contribute to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?

In general, it is difficult to isolate and quantify the impact of a specific intervention on fraud, corruption, and other illegal activities, particularly given the short evaluation period and the limited number of completed projects. Accordingly, the study team focused on collecting data on stakeholders' perceptions rather than quantitative data on measured impacts.

The majority of respondents to the survey of applicants/beneficiaries supported the idea that the project awarded under the UAFP effectively contributed to limiting the known exposure of EU financial interests to fraud, corruption, or other illegal activities.

One-fifth of respondents did not agree, while one-third of respondents did not answer. The case studies confirmed that the UAFP's interventions have the potential to contribute to limiting the current exposure to fraud and corruption by improving investigation capabilities and capacities and raising awareness of fraud and corruption risks.

Figure 7 - To what extent has your intervention under UAFP effectively contributed to limiting the currently known exposure of the financial interests of the Union to fraud, corruption, or other illegal activities?



Source: OLAF survey of applicants/beneficiaries (N=15).

The activities supported under the three components of the UAFP make several indirect contributions to limiting the exposure of the financial interests of the Union to fraud, corruption, and other illegal activities:

- Technical assistance projects enhance the capacity of LEAs to investigate or prevent known exposure by providing up-to-date technological and knowledge resources to combat fraud and irregularities;
- Training, publications and studies supported by the UAFP enhance the capacity of customs and LEA personnel and develop the knowledge base needed to combat fraud, corruption, and other illegal activities;
- AFIS supports customs officers to exchange timely information to prevent fraud;
- IMS supports the timely exchange and sharing of irregularities information, enabling its users to utilise other LEAs' past experiences when establishing fraud prevention measures.

3.2 Efficiency

This section presents the evaluation findings on the efficiency of the UAFP.

3.2.1 Main conclusions: efficiency of the UAFP

- Overall, as a result of the Hercule component of the UAFP, the EU and national organisational units with investigative authority have used their resources more efficiently to fight serious crimes that harm EU financial interests. The interviews yielded the most detailed and comprehensive overview of the main observable benefits. Although full assessment was complicated by the status of project implementation, it was possible to identify the main areas where the UAFP has contributed to higher efficiency in cost and resource management. These include: equipment purchase, fraud-related data gathering, analysis and exchange, training actions, relationship building and investigations
- The current application process represents a significant improvement to that under the previous programme, with stakeholders finding it highly efficient. The current UAFP takes on board the feedback and recommendations of the Hercule III evaluation (2021) to simplify the application procedure and provide more guidance to applicants[152]. Based on

[152] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

stakeholders' feedback and desk research, efficiency improvements include the streamlined application procedure and form, as well as the higher level of guidance and support provided to applicants. Although it is difficult to clearly quantify the time and human resources needed to complete the application, or to establish whether this is significantly lower or higher than the previous programme, stakeholders provided positive feedback on the new application

- The interim evaluation of the Hercule component found that beneficiaries reported some cost savings, with one-third estimating these savings to be very significant or significant. Beneficiaries noted that their improved capacity and capabilities will allow them to be more efficient in carrying out operations in their countries. This increased efficiency has a snowball effect and benefits EU partner agencies: UAFP participants are better equipped to respond to requests for mutual assistance and joint investigations with EU partner agencies as a result of improved equipment and skills acquired with the help of UAFP grants
- Some benefits of AFIS were noted, such as its contribution to 10 JCOs in 2022. IMS users believe that UAFP funding for the IMS represents an efficient use of resources. However, the efficiency associated with the improvements to the two systems is difficult to assess from the data available for this evaluation

Source: ICF analysis.

3.2.2 To what extent have the desired effects been achieved at reasonable costs on the basis of a cost/benefits analysis?

This section assesses whether the identified costs of the UAFP are exceeded by the benefits identified under the effectiveness criterion. It examines the costs associated with each of the three components of the UAFP (Hercule, IMS and AFIS) and compares these with the benefits of each component. There is a particular focus on costs and benefits in 2021 and 2022, for which data on spending are available, together with some achievements.

The analysis suggests that the costs incurred by the UAFP are commensurate with its benefits, i.e. the UAFP represents an efficient use of resources on the basis of a cost-benefit analysis. However, the limited data available at this interim stage of the programme prevent a complete, quantitative mapping of programme costs and benefits, or direct comparison of all monetised costs and benefits. Rather, the comparison between costs and benefits here is made primarily on a qualitative basis.

3.2.2.1 The UAFP budget

Of the programme, the Hercule component makes up the largest share of the budget (63%), followed by AFIS (33%) and IMS (4%)[153].

Table 3 - Yearly budgets, by components of UAFP (EUR)

[153] European Commission, 33th Annual Report on the Protection of the European Union's financial interests (PIF Report 2021), https://anti-fraud.ec.europa.eu/document/download/ac7fe82e-c7df-44c0-8df7-277f73032d4b_en?filename=pif-report-2021_en_0.pdf.

Component	2021	2022	2023-2027	2021-2027
Hercule component	15.2 million (63%)	15.4 million (63%)	83.6 million (63%)	114.2 million (63%)
AFIS	8.0 million (33%)	8.0 million (33%)	44 million (33%)	60 million (33%)
IMS	0.9 million (4%)	0.9 million (4%)	5.1 million (4%)	7 million (4%)

Source: ICF analysis.

The UAFP budget has increased significantly on previous years, growing from EUR 12 million with Hercule I to EUR 104.9 million with Hercule III[154].

The remainder of this section discusses costs incurred for each of the three components, benefits realised, and how these compare.

3.2.2.2 Hercule component

This section identifies and compares the main costs and benefits associated with the Hercule component of the UAFP.

3.2.2.3 Hercule cost items

Over 2021 and 2022[155], EUR 29.7 million was committed by the UAFP to the technical assistance and training component (EUR 14.5 million in 2021; EUR 15.2 million in 2022). This was relative to the budgeted amounts of EUR 15.2 million for 2021, EUR 15.4 million for 2022, and EUR 114 million for the period 2021-2027.

Over two-thirds of UAFP spending under the Hercule component during 2021 and 2022 was on grants, with EUR 20.3 million spent on technical assistance grants and EUR 1.88 million on anti-fraud training grants. Of the EUR 7.44 million spent on procurement, the largest item (EUR 3.21 million) was digital forensics and analyst training.

Table 4 - Technical assistance and training spending (EUR)

Item/year	2021	2022	Total

[154] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582; European Commission, Final evaluation of the Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC, SWD(2021) 386 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0386.

[155] Consideration of costs is limited to 2021-2022 to align with the data available on Hercule benefits.

Item/year		2021	2022	Total
Grants	**Technical assistance grants**	10 678 299	9 578 008	20 256 307
	Anti-fraud training grants	802 285	1 076 935	1 879 220
Procurement	**IT databases**	707 360	707 360	1 414 720
	IT tools and tobacco analysis	717 961	733 673	1 451 634
	Conferences	144 715	1 165 845	1 310 560
	Digital forensics and analyst training	1 414 000	1 799 543	3 213 543
	WHO Framework Convention for Tobacco Control (FCTC)	53 628	0	53 628
	Total	**14 518 248**	**15 175 260**	**29 693 508**

Source: ICF analysis; PIF Reports 2021, 2022.

These spending figures describe the amounts disbursed by the UAFP to beneficiaries. However, they do not capture additional administrative costs that arise. Administrative costs for beneficiaries include costs related to applying for grants and to monitoring and reporting on funded projects, while administrative costs for the UAFP include costs of setting up annual work programmes, publishing and disseminating calls for proposals, and selecting beneficiaries.

It is difficult to quantity the typical time and human resources needed to apply for Hercule funding. Applicant organisations' reported amounts varying from three days to up to three months[156]. Although efficient overall, the application represents a significant undertaking for some applicants, with several of those interviewed noting that the

[156] Interviews with beneficiaries.

application is long and requires a lot of information. The degree of variation in the time to complete the application may be explained by several factors, including applicants' groundwork before the call (e.g. reaching out to consortium partners and providers) and their familiarity with the application process. Several noted that the application was less time-consuming when they had prior experience with it[157].

Applicants' interview responses showed that the application process has significantly improved compared to the previous programme (Annex 1). The administrative burden of the application seems proportionate, with 23 (of 29) applicants/beneficiaries responding that the administrative and financial requirements of preparing and submitting their application were 'reasonable' or 'very reasonable'. Only three considered the requirements 'burdensome'.

However, some beneficiaries of training actions expressed dissatisfaction with the administrative burden of project reporting, which may be onerous and demanding (e.g. documents, statements, declarations)[158].

3.2.2.4 Hercule benefits

In 2021-2022, 66 grants were distributed under the UAFP's Hercule component, seven of which were scheduled to end before October 2023[159]. To date, these grants have greatly increased recipients' organisational capabilities, with national authorities better placed to combat fraud and reduce budgetary and economic losses resulting from fraud. Hercule funding has helped national authorities with:

- **Equipment purchases**: The UAFP has enabled organisations to acquire modern tools with higher technical standards than might otherwise have been possible with national/own funding. The purchase of new state-of-the art equipment has contributed to the quality of forensic services, improving national authorities' ability to detect fraud and prevent losses;
- **Data collection, analysis and sharing**: The UAFP has funded projects that make use of information systems to collect, automate and process large volumes of data. These data contribute to investigations, increasing the likelihood of success in detecting and deterring fraud;
- **Training**: UAFP training has helped national authorities to upgrade their knowledge and practical skills. Authorities can apply new knowledge and skills to combat fraud more effectively, eventually reducing the impact of fraud on public funds;
- **Networking, exchanges and good practices:** Participants in training and other events, such as study visits and conferences, have developed a better understanding of how colleagues in other jurisdictions tackle corruption and fraud and collaborate with EU agencies and authorities. This facilitates the

[157] Interviews with beneficiaries.

[158] Interviews with beneficiaries.

[159] Key evaluation documents such as final technical reports and final implementation reports for these grants are not yet available for most projects.

implementation of best practices for preventing fraud across the EU, leading to more effective national efforts against fraud;

- **Investigations**: The funded projects improve data-sharing between national and European authorities and between relevant national authorities, including tax and police authorities. New equipment, data analysis capacity, and knowledge and skills may improve the quality of investigations, reduce the resource need and increase the chances of success, ultimately reducing the damaging impacts of fraud on public funds and the economy.

Survey respondents had mixed views on the extent to which their activities under the UAFP grant have contributed to cross-border cooperation. For each of several types of cross-border cooperation, a **minority** of respondents reported that their activities under the UAFP grant have contributed 'to a large extent' or 'to a great extent'.

These responses suggest that UAFP-funded interventions have contributed to organisations' capacities to fulfil their individual mandates but have fewer benefits in improving EU-wide coordination and structures. These results, however, reflect the perceptions of a limited sample of applicants at an interim stage of the implementation of their grant projects. A more thorough understanding of the benefits of different projects will only be possible once these have been completed and data reported to illustrate their outcomes. In addition, the survey results do not cover the full population of funded entities, and projects also receive funding (20%) outside the UAFP, such as national co-funding. As such, the benefits might not be attributable to the UAFP alone.

3.2.2.5 Comparison of costs and benefits

UAFP-funded interventions have contributed to applicants' organisational, investigative, and technical capacities. According to the beneficiaries interviewed, UAFP grant costs yield benefits. Applicants do not view the administrative costs of applying for a grant as particularly burdensome, indicating that the benefits are likely to outweigh these costs.

However, six (of 12 successful applicants) responded that their costs related to the implementation of the project outweighed the benefits (at least a 'little')[160].

The UAFP seems to have led to cost savings in different areas. In evidence gathering, for example, the funds disbursed have contributed to the acquisition of devices that extract data at the crime scene that can later be used in criminal proceedings. The adoption of such devices save costs compared to the previous situation, when investigative authorities had to seize devices and pay an expert to extract the data[161].

3.2.2.6 AFIS component

This section identifies the main costs and benefits associated with the AFIS component of the UAFP and compares these costs and benefits.

[160] Survey of applicants and beneficiaries, Q 15.4.
[161] Interviews with beneficiaries.

3.2.2.7 AFIS Cost items

Over 2021 and 2022, EUR 16.0 million was committed by the UAFP to AFIS (EUR 7.96 million in 2021; EUR 8.01 million in 2022). This was relative to budgeted amounts of EUR 7.96 million for 2021, EUR 8.01 million for 2022, and EUR 60 million for the period 2021-2027. EUR 8.23 million was budgeted for 2023.

The largest AFIS spending item across 2021 and 2022 was IT studies, development, and maintenance, at EUR 7.81 million (49% of total spending). This was followed by production services (EUR 3.50 million) and acquisition, maintenance and updating of software and hardware, and related IT services (EUR 2.22 million). These three items were also assigned the largest budget for 2023 (EUR 4.00 million, EUR 2.42 million, and EUR 1.15 million, respectively).

Table 5 - AFIS spending (EUR)

Item/year	2021	2022	2023 (budgeted)	Total
IT studies, development, and maintenance	4 056 540	3 754 627	3 995 000	11 806 167
Production services	1 750 021	1 749 767	2 420 000	5 919 788
Technical assistance, training, coordination, and quality control services	194 797	231 235	405 000	831 032
Acquisition, maintenance and updating of software and hardware, and related IT services	1 246 975	968 770	1 150 856	3 366 601
Funds co-delegated to DG TAXUD	252 279	239 246	257 032	748 557

Item/year	2021	2022	2023 (budgeted)	Total
Contingency[162]	463 388	1 065 508	0	1 528 896
Total	**7 964 000**	**8 009 153**	**8 227 888**	**24 201 041**

Source: ICF analysis; PIF Reports 2021, 2022.

Overall AFIS spending in both 2021 and 2022 matched the budget allocation. In terms of time allocation (measured in person days), 'application development' was the most resource intensive activity[163] in 2021 (5 325 person days[164]), 2022 (6 168 person days)[165], and the first half of 2023 (3 197)[166]. In 2021 and the first half of 2023, 'technology stack' was the next largest use of person days (at 1 957 and 732, respectively), but in 2022 the second largest use was for the 'Fraud Analytical Platform' (1 520 person days). That Platform was also the third largest use in the first half of 2023 (533 person days).

3.2.2.8 AFIS Benefits

UAFP funding for AFIS yields identifiable benefits. AFIS is used by 9 000 registered end users in countries within and outside the EU[167]. Survey responses from AFIS users indicated that AFIS has a beneficial effect on the capacity of fraud authorities to carry out their duties. A majority of surveyed AFIS users disagreed with the statement, 'in the absence of AFIS, I would be able to perform my duties using a similar existing national system'. Users believe that AFIS improves the quality of cooperation between LEAs and services in neighbouring countries[168]. This helps national authorities to reduce the monetary value of fraud-related losses to public funds and the economy.

The 2021 PIF Report highlighted the work of the AFIS CIS+ module in the context of the Cash Control Regulation implemented in 2021: 'In December 2021, six months after going live, CIS+ had more than 2,200 users and contained data on 31,500 cash declarations and 1,800 infringements of the Regulation'[169]. In the first five months of 2023, CIS+ detected an average of 9 573 cash declarations with infringements per month.

[162] This line item is provided in the cost tables included in the UAFP PIF Reports. Typically, the 'Contingency' item is used to capture (relatively small) unforeseen costs, although the PIF reports do not specify the unforeseen costs in this case.

[163] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2022, C(2022) 1139, https://anti-fraud.ec.europa.eu/document/download/7824f63f-724b-486a-b7b9-d8880e4d5456_en?filename=uafp_work_programme_2022_annex_en.pdf.

[164] Data for January to November.

[165] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2023, C(2023) 813.

[166] Ibid.

[167] Figures shared with ICF by OLAF.

[168] Interviews with beneficiaries, Survey of applicants and beneficiaries and evidence from desk research some similar benefits.

[169] Ibid.

The 2022 PIF report highlighted that AFIS supported 10 JCOs that year. These data points provide some indication of the benefits of AFIS (and, by extension, UAFP funding) in preventing and detecting fraud.

At a technical and operational level, UAFP funding enables AFIS to continue delivering benefits for users, i.e. to continue its function as a secure portal for national and EU administrations to exchange information on fraud. The UAFP allows AFIS to be maintained and improved. UAFP funding was used to provide eight AFIS platform releases in 2021 (including CIS+) and 15 in 2022. In the first six months of 2023, AFIS delivered 61 minor releases across 10 platforms[170]. UAFP funding also allows for support to be provided to AFIS users: 73% of surveyed AFIS users reported contacting the AFIS IT Helpdesk in the previous two years and the vast majority (over 90%) were satisfied with the support received.

3.2.2.9 AFIS - Comparison of costs and benefits

These benefits provide indicative evidence that the funding provided by the UAFP for AFIS enables the provision and improvement of a useful tool for end users. Certain modules within AFIS – in particular, CIS+ – appear to be registering notable achievements in detecting potential cases of fraud. A recent AFIS satisfaction survey showed that respondents are very satisfied overall with the new functionalities, particularly noting that the speed of access improves the efficiency of operations[171].

3.2.2.10 IMS component

This section identifies and compares the main costs and benefits associated with the IMS component of the UAFP.

3.2.2.11 IMS Cost items

Over 2021 and 2022, the UAFP committed EUR 1.82 million to the IMS (EUR 0.914 million in 2021; EUR 0.934 million in 2022). This was relative to budgeted amounts of EUR 0.929 million for 2021, EUR 0.934 million for 2022, and EUR 7 million for the period 2021-2027.

To date, 87% of spending on the IMS has gone towards development, maintenance, training, and support.

3.2.2.12 IMS Benefits

UAFP funding enables the IMS to continue its function as an integrated irregularity reporting system used by around 3 230 end users in 34 countries within and outside the

[170] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2023, C(2023) 813.

[171] AFIS satisfaction survey 2023, launched in autumn 2023, finalised early 2024.

EU[172]. IMS is perceived by users and stakeholders as a useful tool for both reporting and tracking irregularities and fraud'[173]. The IMS allows national authorities to fulfil reporting obligations to the Commission in a standardised, simplified way. The absence of such a system would likely increase reporting costs for national authorities and management costs for the Commission. The IMS thus facilitates EU and national authorities' efforts to use available fraud prevention budgets as effectively as possible to prevent fraud-related damage to public funds and the economy.

IMS shows several features that contribute to the system's perceived usefulness, including its uniqueness as a database where past and/or closed cases of irregularities can be searched (12 455 irregularities were reported to the IMS in 2022). To the extent that the IMS helps national and EU authorities to identify, understand, and eventually prevent irregularities, including fraud, its ongoing functionality can be considered a benefit of the UAFP, which merits its continued funding and development.

UAFP funding has been used to improve the IMS. Four new features were developed and released in each of 2021 and 2022.

In 2021, new features included: improved reporting of RRF irregularities; uploading irregularities directly from national databases; rights of IMS country officers; and uploading of reports by business owners[174].

The 2022 PIF Report described new feature developments as 'allowing business managers to manage code list values, [improving] the B2B services and [fixing] a number of identified issues'[175].

3.2.2.13 IMS Comparison of costs and benefits

The consulted documentation on IMS offered indicative evidence that UAFP funding for the IMS represents an efficient use of resources, at least according to users. However, without more detailed data, it is difficult to understand the effects of the IMS on the ultimate goals of protecting the EU's financial interests and facilitating cooperation between Member State administrations.

Further benefits and costs-effectiveness could be realised through greater awareness and training on IMS functionalities.

[172] Figures from IMS User Registration Tool data, shared by OLAF.

[173] The countries utilising the IMS are those for which the reporting obligation is set in a legal text, either through an EU regulation or a financing agreement. This is not the case for all countries that receive EU assistance.

[174] PIF Report 2021.

[175] PIF Report 2022.

3.2.3 To what extent has the UAFP facilitated a more integrated use and simplified management of financial resources?

The data do not allow definitive conclusions to be drawn on whether the UAFP has led to more efficient management of financial resources by the EU and national authorities. Available data indicate that the UAFP has led to a more efficient project delivery, compared to national funding. This is because the programme allows for equipment to be purchased quickly and in greater volumes. While beneficiaries did not have specific suggestions on how the management of the UAFP could be made less costly, several found the reporting process burdensome, which may warrant further examination[176].

The evaluation finds that the current UAFP has taken into account the feedback and recommendations of the final evaluation of Hercule III (2021) and provided a more streamlined application procedure, guidance and support to applicants. The application procedure for the Hercule component is found to be efficient.

3.2.3.1 Administrative processes for the Hercule component

This sub-section presents the analysis of evidence on the efficiency of the administrative processes of the Hercule component. It is divided into three sub-sections: the application procedure, project implementation, and budgetary flexibility.

3.2.3.2 Application procedure

The application procedure for grants under the Hercule component of the current UAFP is found to be highly efficient, based on the applications and consultations with applicants. The current application process has taken on board the feedback received during the previous evaluation (2021).

The final evaluation of the Hercule III (2021) suggested some improvements to make the application process more efficient for applicants. The final evaluation of Hercule III found the application procedures more efficient than the previous evaluation period (mid-term evaluation of 2018), as applicants needed less time to prepare their applications[177]. However, the 2021 final evaluation recommended providing additional and more refined guidance to applicants on how to complete the application form, as applicants had reported incurring human resources costs.

Although not sufficiently severe as to deter applicants from applying to the programme, the 2021 evaluation[178] nevertheless recommended providing more information to applicants (Recommendation 9.1), such as via best practice and example boxes. It also

[176] Interviews and survey of applicants and beneficiaries.

[177] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

[178] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582

recommended setting up a platform or contact person to answer questions (Recommendation 9.2) and an annual workshop or seminar on the application process (Recommendation 9.3). Finally, it recommended that the application procedure should avoid ambiguous questions (Recommendation 9.4).

All these four recommendations have been implemented in the current UAFP. Most of the applicants[179] judged the guidance and instructions on preparing the application clear and readily available[180], an important improvement on the previous evaluation. The call documents[181] published under each annual work programme provide a clear overview of the projects eligible for funding and eligibility criteria. The call is accompanied by an online manual for proposal preparation and submission, which is intuitive and easy to navigate[182].

Applicants can also receive support in case of technical difficulties with the portal submission system, as well as with non-IT related questions, for which two separate e-mail addresses (for the technical assistance call and for the training call) are made available[183]. Only a **minority** of stakeholders would like to see more guidance, notably researchers, who reporting inadequate support from their own institutions when preparing the application[184].

The application procedure avoids needless repetitions of the same information throughout the application process: most survey respondents stated that they were not asked to input the same information several times, which would have added unnecessary administrative and time-consuming steps[185].

A **minority** of stakeholders indicated that there were some redundancies in the application was not corroborated by the textual analysis of the application form. In addition, the stakeholders surveyed perceived the information requested as relevant to the

[179] Survey of applicants and beneficiaries, Q9: The vast majority of successful applicants and applicants waiting to know if their application was successful were very satisfied or satisfied with the availability and clarity of instructions and guidance for preparing the application: 26 out of 29 respondents were very satisfied or satisfied with the availability and clarity of instructions and guidance to help them prepare the application form.

[180] Survey of applicants and beneficiaries, Q9.

[181] OLAF, Union Anti-Fraud Programme (UAFP) Call for proposals Technical Assistance (EUAF-2023-TA) Training, Conferences, Staff Exchanges, and Studies (EUAF-2023-TRAI), 2023, https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/euaf/wp-call/2023/call-fiche_euaf-2023-ta_euaf-2023-trai_en.pdf.

[182] European Commission, Funding & tender opportunities portal, https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-search?programmePeriod=2021%20-%202027&frameworkProgramme=43251842

[183] OLAF-FMB-HERCULE-TA@ec.europa.eu for the technical assistance call; OLAF-ANTI-FRAUD-TRAINING@ec.europa.eu for the training activities call.

[184] Interviews with beneficiaries.

[185] Survey of applicants and beneficiaries, Q9: 17 of 28 survey respondents were very satisfied or satisfied with this aspect of the application process. This result is corroborated by the analysis of the available documentation. Only a minority of stakeholders found some redundancies in the information asked.

application process. The fact that the application form and process require information relevant to the objective of evaluating the project, thereby avoiding unnecessary and resource-consuming steps, documents, or additional administrative steps, confirms the high efficiency of the application[186]. The administrative and financial requirements are thus proportional and reasonable overall[187].

Finally, the possibility to complete and submit the application online makes the application process more time-efficient, according to the (appreciative) majority of applicants[188]. Applicants can submit their applications via an online participant portal, which shows the status of the application and the deadline, and allows the application to be saved for later completion.

The stakeholder interviews revealed some areas for improvement in the application process. Firstly, in its accessibility and inclusion. Not all applicants with visual impairments, for example, are able to access the application platform, as Oracle platforms do not support all reading software for blind people. This is a technical feature that does not fall under OLAF's remit[189]. Secondly, several stakeholders indicated that the application process should be adapted based on how large and complex the project is, with a simpler procedure for smaller projects[190].

The proportion of successful applicants increased between 2021 and 2022, implying that less time is lost by applicants on unsuccessful applications[191]. This improvement in efficiency may have been driven by the procedural changes stemming from the 2021 evaluation and recommendations.

3.2.3.3 Project implementation

Half of the surveyed beneficiaries of technical assistance under the UAFP Hercule component reported that UAFP funding has contributed towards their project's achievements and outcomes[192]. This finding needs future validation, which should be provided by evidence from any available data reporting on the results of the projects and the costs of implementation.

The financial support provided via the technical assistance component has led to very significant or significant cost savings in one-third of cases, and to some cost savings in

[186] Survey of applicants and beneficiaries, Q9: 26 of 29 respondents were very satisfied or satisfied with the relevance and proportionality of the information required. This result is corroborated by the analysis of the available documentation.

[187] Survey of applicants and beneficiaries, Q9.

[188] Survey of applicants and beneficiaries, Q9: 26 of 28 survey welcomed the possibility to complete and submit the application fully online.

[189] Interview with beneficiary, and case study on digitalisation and AI.

[190] Interviews with beneficiaries.

[191] PIF Report 2022.

[192] Survey of applicants and beneficiaries, Q 10(2): 50% of respondents claimed that the amount of available funds and resources supported their intervention and contributed to the achievements of the project.

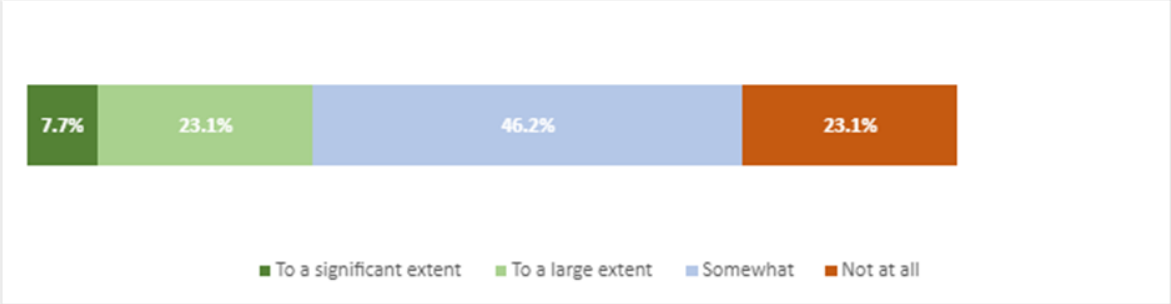
almost half of cases[193]. In a **minority** of cases, the funds and resources made available were not adequate to support implementation[194]. This may have been due to budgetary planning or other factors that were not been possible to identify from the data.

The grants received have increased operational and investigative efficiency. The purchase of equipment, for example, allows beneficiaries to save time in extracting and analysing data for criminal proceedings[195]. They noted that the improved capacity and capabilities will allow them to be more efficient in carrying out operations in their countries and also better equip them to respond to requests for mutual assistance and joint investigations with EU partner agencies[196].

In one-third of cases, the implementation of funded actions did not yield any cost savings at all. Figure 15 presents the share of successful beneficiaries believing that the funds received led to significant, large, some, or no cost savings.

3.2.4 To what extent has your UAFP intervention led to any cost savings in your work related to the prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial interests?

Figure 8 - The share of successful beneficiaries believing that the funds received led to significant, large, some, or no cost savings



Source: OLAF survey of applicants/beneficiaries (N=15).

Evidence on whether the implementation of the UAFP in 2021-2023 simplified the management of financial resources was scarce and contradictory.

A **minority**[197] of surveyed delegates of the Council Working Group on Combating Fraud (GAF) reported that the UAFP may not have simplified the management of financial

[193] Survey of applicants and beneficiaries, Q 15(4): 7.7% of beneficiaries rated the cost savings as very significant, 23.1% as significant and 46.2% as somewhat significant. According to 23.1%, the cost savings were not significant at all.

[194] Survey of applicants and beneficiaries, Q 11(2): 21.4% of respondents claimed that the amount of available funds and resources supported their intervention and contributed to the achievements of the project.

[195] Interview with beneficiaries and case study on investigative capacity.

[196] Case study on investigative capacity.

[197] Survey with the Delegates of the Council working party on fraud (GAF): 1 of 3 disagreed that the programme has simplified the management of financial resources. 2 of 3 did not know whether the

resources, and that the degree to which simplification has occurred needs to be carefully evaluated. However, given that the GAF survey received only three responses, there was insufficient evidence to assess whether and how the UAFP could have better simplified the management of financial resources[198]. There was also insufficient evidence to assess whether the current UAFP has involved better management of financial resources than Hercule III[199].

3.2.5 Budgetary flexibility

The grant agreement allows beneficiaries a good degree of budgetary flexibility[200]. After receiving the grant, applicants can request to make changes to the budget breakdown by transferring budgetary resources between participants and between budget categories (as long as this does not imply any substantive change to the description of the action)[201]. Interviewees who have made use of this budgetary flexibility were satisfied, as it allowed them to change some aspects of the project through e-mail correspondence, without completing a formal project amendment[202]. That budgetary flexibility added to the project efficiency by minimising the administrative burden for beneficiaries. On the Commission side, the programme managers and financial officers do note an increase however in workload and administrative tasks given the increasing number of requests.

3.3 Coherence

This section presents the analysis of **coherence of the UAFP**. The coherence assessment focuses on two aspects: the internal and external coherence of the UAFP and its interventions.

The **internal coherence** assessment examines the extent to which the three components (Hercule component, AFIS component, and IMS component) and the different types of actions of the UAFP are sufficiently clear and coherent with one another, and support rather than contradict each other's implementation through the development of synergies.

The **external coherence** assessment explores the extent to which the interventions of the UAFP are in line with selected relevant (legislative and policy) instruments and interventions at EU level.

programme has simplified the management of financial resources because their authorities never applied for UAFP support or implemented actions.

198 Survey with GAF: 1 of 3 neither agreed nor disagreed that the programme could have simplified the management of financial resources and 2 did not know.

199 Survey with GAF: 1 of 3 answered that it does not, while the qualitative comment said the opposite. 2 of 3 did not know.

200 Section 5.4 of the Grant Agreement form.

201 Internal overview of grant agreements.

202 Interviews with applicants.

The coherence assessment is based on the results of desk research, including the analysis of the UAFP Regulation and other relevant programmes with similar objectives, and is informed by analysis of the stakeholder consultation (interviews and surveys).

Interviews were carried out with beneficiaries and with a number of relevant DGs to gather inputs on internal coherence and the external coherence of the UAFP with other EU programmes, focusing on potential duplication (financial overlap/double funding) and synergies (complementarity).

Applicants' survey responses on coherence were triangulated for this assessment.

The research also looked at the calls for proposal and the projects funded under the UAFP and other EU initiatives. However, their broad description does not allow major duplications to be highlighted.

Based on the analysis of the relevant programmes and the results of the stakeholder consultation, the UAFP is considered coherent overall, both internally and externally. Nevertheless, some overlaps and/or areas of improvements are identified and discussed.

3.3.1 Main conclusions: coherence of the UAFP

- Internal coherence: The research found that the three-component structure of the UAFP reduced the administrative burden and simplified the management of funding, budget flexibility and redistribution of funds across the three components, compared to previous programmes[203]. Additional efforts are encouraged, particularly in preparation of the annual working programmes, as part of the annual financing decision, to ensure better synergies among the three components, and in terms of resource allocation[204]
- External coherence: The research focused on a number of key EU programmes. The highest risk of duplication was identified between the UAFP and the CCEI, and, to a much lesser extent, with two other funding programmes by DG TAXUD (Customs programme; Fiscalis programme). The CCEI specifically provides financial support to the customs authorities, whereas OLAF's UAFP is more focused on LEAs, for which the CCEI does not provide funding[205]. Rather, the CCEI focuses on customs' activities, in particular developing the capacity of customs at border-crossing points and customs laboratories, while the UAFP focuses on preventing (financial) irregularities and fraudulent behaviour considered harmful to EU financial interests[206]
- The consultation did not point to major duplications between the funding provided by DG TAXUD to national customs authorities and the interventions funded under the UAFP. This is mainly due to the differences in the scope of these programmes and the fact that the competent DGs work closely at different levels and stages to ensure coordination between funds and to provide clarity to the applicants and beneficiaries on the functioning of the programmes and eligible activities[207]. Based on the research, the UAFP continues to be

[203] Interviews with the European Commission.
[204] Interviews with the European Commission.
[205] Interviews with the European Commission.
[206] Interviews with the European Commission.
[207] Interviews with the European Commission.

coherent with other relevant funding programmes, in line with the previous programming period

- Coordination and synergies between the UAFP and the other relevant programmes[208]: Two interviewees from the European Commission noted that the DGs could benefit from an overarching mechanism of coordination that would allow the Commission an overview of the implementation of the relevant programmes, their links and overall coherence status[209]. This point was **challenged** by several Commission participants, who argued that such a mechanism would be practically difficult, given the differences between the programmes in relation to their budgets, targets, objectives, implementation process, and reporting.

Source: ICF analysis.

3.3.2 To what extent are the three components and the different types of actions of the programme coherent among each other?

The analysis focuses on the **internal coherence** between the three components (Hercule component, AFIS component, IMS component) set out by the UAFP Regulation, and the initiatives they funded. It analyses the extent to which the three components and funded initiatives do not contradict one another, overlaps and duplications are avoided, and synergies are ensured. Research and analysis shows that, overall, there is internal coherence among the three components.

The three components are aligned with the specific objectives of the UAFP. The first specific objective is to prevent and combat fraud, corruption and any other illegal activities affecting the EU's financial interests. The second specific objective is to provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs and agricultural matters. The third specific objective is to support the reporting of irregularities, including fraud, found with the shared management funds and pre-accession assistance funds of the Union budget, as well as with the RRF[210].

The UAFP was set up to increase synergies and budgetary flexibility and to simplify management of the support provided by the EU to beneficiaries[211]. Combining the three components was intended to continue providing existing specialised services, as well as to increase synergies, alleviate administrative burden and simplify the management of funding[212]. Budgetary flexibility within the programme enables the reallocation of

[208] Interviews with the European Commission.

[209] Interviews with the European Commission.

[210] Protecting the EU's financial interests from fraud and corruption, summary of Regulation (EU) 2021/785 establishing the Union anti-fraud programme: https://eur-lex.europa.eu/legal-content/EN/LSU/?uri=uriserv:OJ.L_.2021.172.01.0110.01.ENG.

[211] Recital 8 of the UAFP Regulation.

[212] European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

funding within the three strands of the programme to one or another activity part[213]. Accordingly, the UAFP brought together three previously separate strands, i.e. Hercule III, AFIS and IMS, and streamlined them under a single programme.

According to the Commission's 2018 proposal, this integration of the three components into a single programme aimed to guarantee the continuity of funding for administrative assistance and increase the exchange of information between national authorities, and between the Commission and national authorities.

The final evaluation of Hercule III noted its complementarity with AFIS[214]. As a system allowing the safe and efficient exchange of mutual assistance information, AFIS was encouraged by the Hercule (III) Regulation.

At that time, stakeholders highlighted the complementarity between Hercule III and AFIS, noting that AFIS was a useful system to implement technical assistance activities funded by Hercule III. AFIS includes several tools that are relevant for Hercule-funded activities, such as ATIS and the Tobacco Seizures Management Application (ToSMA).

According to the Commission's 2018 ex-ante evaluation, operational synergies were in place between the IMS and the other two components. The IMS is an operational activity delivered through the AFIS IT platform, while Hercule III funded training for national authorities on the irregularity reporting linked to IMS[215].

Interviewees from the European Commission reported that, compared to the previous programme, the three-component structure introduced by the UAFP Regulation reduced the administrative burden and simplified the management of funding within the Commission (OLAF).

The development and implementation of annual work programmes improved coherence among the three components[216]. One interviewee also stressed that the UAFP allows for better budget flexibility and redistribution of funds across the three components. Another, however, believed that overall internal coherence remains underdeveloped.

The consultation revealed that it might be advisable to increase the regular meetings on planning and reporting between the managers of the three components. Additional efforts could be made to enhance cooperation within OLAF in determining funding amounts,

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213 PIF Report 2021.

214 European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

215 European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

216 Interviews with the European Commission.

content preparation (particularly regarding the annual work programmes), and resource allocation to the relevant IT tools[217].

Interviews with UAFP beneficiaries did not provide much information on internal coherence, as many applied for funding to one component only. Two beneficiaries indicated that the activities under the three components are complementary, while two others noted the potential for more synergies, coordination and knowledge sharing among the different components.

The survey of applicants for funding, including beneficiaries, gathered information on the Hercule component. The results of the survey clearly indicated a significant level of coherence among the eligible activities under the call for proposals, and coherence between the calls for technical assistance and the calls for training, conferences, staff exchanges and studies.

3.3.3 To what extent are the interventions of the programme coherent with other measures or actions taken at EU level by the Commission or institutions, bodies, agencies, which also may have contributed to the protection of the Union's financial interests?

The **external coherence** assessment focuses on the extent to which the UAFP and its associated interventions are coherent with other instruments and interventions with similar objectives. It also examines coherence with EU horizontal policies.

3.3.4 Coherence with EU horizontal policies

As indicated in the UAFP's annual work programmes, its implementation is intended to be in line with the Union's political priorities[218] and connected policy initiatives.

Accordingly, the UAFP reflects the EU's commitments[219] to tackle climate change in line with the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (UNFCCC)[220]. The programme aims to contribute, where possible, to mainstreaming climate actions and achieving an overall target of 30% of the EU's budget supporting climate objectives[221].

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[217] Interviews with the European Commission.

[218] European Commission, Political Guidelines for the European Commission 2019-2024, 2019, https://commission.europa.eu/document/download/063d44e9-04ed-4033-acf9-639ecb187e87_en?filename=political-guidelines-next-commission_en.pdf.

[219] European Commission (2019). Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The European Green Deal, COM/2019/640 final. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640.

[220] United Nations, Paris Agreement to the United Nations Framework Convention on Climate Change, 2015, https://unfccc.int/documents/184656.

[221] European Commission, Anti-Fraud Programme Performance Statements (PPS, 2023) https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-

The consultation revealed that applicants are encouraged to highlight proposed activities that take into consideration the climate objectives of the EU. Funding under the UAFP was provided to beneficiaries to purchase energy-efficient equipment, such as electric specialised vehicles[222].

The UAFP might be used to better equip Member States to prevent the importation of certain illicit products that do not comply with the EU environmental and climate framework[223]. Despite these efforts, some stakeholders stressed that the size of the UAFP is limited and cannot significantly contribute to addressing climate change concerns[224].

They highlighted that while UAFP funding is assigned to projects proposed to be in line with energy efficient standards, the actual implementation of the projects might not be in line with such standards, as public procurement processes of national administrations often favour the lowest cost bidder over other considerations.

The digital transition is another key priority of the EU and part of its' digital strategy[225]. The UAFP supports the Member States' digital transition through all three components. For instance, this might be achieved through the UAFP funding the acquisition of IT tools supporting data analysis to detect fraud affecting revenue or expenditure, and by building expertise in digital forensics[226].

Interviews with European Commission officials confirmed the potential contribution of the UAFP to supporting the digitalisation of national administrations, with funding assigned to purchase new digital tools. They also confirmed the potential future impact of AFIS and IMS on better digitalisation of such administration. However, given the limited size of the UAFP budget, this contribution would not be significant in facilitating or achieving the (full) objective of digital transition[227].

3.3.5 Coherence with other instruments and interventions

In the mid-term evaluation of Hercule III, most of the stakeholders reported more synergies than overlaps with other EU funded programmes. However, increased

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performance-statements/anti-fraud-performance_en#:~:text=In%202023%2C%20the%20programme%20committed,of%20the%20COVID%2D19%20period

222 Interviews with the European Commission.

223 Annex to the Commission Implementing Decision on the financing of the Union Anti-Fraud Programme and the adoption of the work programme for 2023, C (2023) 813 final, https://anti-fraud.ec.europa.eu/system/files/2023-02/uafp_work_programme_2023_annex_en.PDF.

224 Interviews with the European Commission.

225 European Commission, Shaping Europe's Digital Future, 2020, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/shaping-europes-digital-future_en.

226 Annex to the Commission Implementing Decision on the financing of the Union Anti-Fraud Programme and the adoption of the work programme for 2021, C (2021) 5338 final, https://anti-fraud.ec.europa.eu/system/files/2021-10/uafp_work_programme_2021_en.pdf.

227 Interviews with the European Commission.

synergies were indicated with other programmes managed by DG TAXUD and DG HOME on fighting corruption and VAT fraud[228].

Consultations with the European Commission revealed that OLAF is exploring the possibility of expanding the scope of its investigative work activities into new areas, including food fraud, chemical waste, waste shipment and other environmental issues. The potential coherence of OLAF's expanded scope with financing programmes provided by other DGs could be explored in future studies.

Several key EU programmes were selected for the external coherence analysis. Overall, coherence with other EU programmes was confirmed by the results of the desk research and most stakeholders interviewed. Notably, one beneficiary stressed the unique characteristics of the UAFP, which is recognised as filling a critical gap by funding projects that would not otherwise be covered by EU-level funds[229].

Key instruments and interventions for external coherence analysis

Key instruments and interventions for external coherence analysis:

- **Regulation (EU) 2021/1077 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment (CCEI)**
- Regulation (EU) 2021/240 establishing a Technical Support Instrument (TSI Regulation)
- **Regulation (EU) 2021/444 (Customs programme regulation)**
- Regulation (EU) 2021/693 (Justice programme regulation)
- Regulation (EU) 2021/695 (Horizon Europe Cluster 3 Civil Security for Society)
- Regulation (EU) 2021/840 establishing a programme to protect the euro against counterfeiting for the 2021–2027 period (Pericles IV programme regulation)
- Regulation (EU) 2021/847 (Fiscalis programme regulation)

The UAFP is increasingly aligned with the Commission's 2019 anti-fraud strategy, which places increased focus on the collection and use of data for anti-fraud purposes[230]. Interventions financed under the UAFP aim to emphasise cross-border cooperation on anti-fraud and complementarity and interoperability with equipment and tools purchased under other EU-funded programmes[231].

Data from the survey with applicants for funding under the UAFP point to coherence (strongly agree around 35%; and agree around 57%) between the calls for proposals (launched under the UAFP) and other EU anti-fraud instruments.

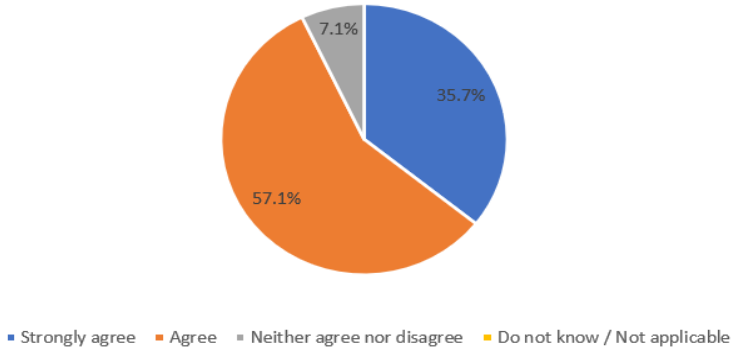
Figure 9 - Coherence between UAFP and other relevant instruments

[228] European Commission, Mid-term evaluation of the Hercule III programme, CEPS, Economisti Associati, CASE, wedoIT, 2017, https://op.europa.eu/en/publication-detail/-/publication/472e59a1-07cd-11e8-b8f5-01aa75ed71a1/language-en/format-PDF/source-68460881.

[229] Interview with beneficiary.

[230] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions, and the Court of Auditors. Commission Anti-Fraud Strategy: enhanced action to protect the EU budget, COM(2019) 196 final, https://anti-fraud.ec.europa.eu/system/files/2021-09/2019_commission_anti_fraud_strategy_en.pdf.

[231] PIF Report 2021.



Source: OLAF survey of applicants/beneficiaries (N=15).

The following sections provide a comparative analysis of the UAFP and other selected EU programmes.

Annex 2 of the study report provides an overview of key elements of the UAFP and the other programmes analysed for external coherence. It describes the scope, objectives, eligible action and beneficiaries of the UAFP and the programmes analysed, and indicates their common elements.

5.2.1.1 Regulation (EU) 2021/1077 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment (CCEI)

The CCEI is one component of the EU's BMF and is dedicated to checking goods. For the period 2021-2027, it aims to contribute to adequate and equivalent customs controls by supporting Member States to purchase, maintain, and upgrade state-of-the-art customs control equipment.

European Commission officials interviewed identified the highest risk of duplication between the UAFP and CCEI. In fact, the two programmes present several similarities. The UAFP's scope covers the protection of the financial interests of the EU, which is also one of the areas covered by the CCEI, albeit not its main priority. In addition, the UAFP comprises activities related to customs, which is the sole area covered by the CCEI. The UAFP includes customs authorities among its beneficiaries, which are the sole and specific beneficiaries of the CCEI.

Although the CCEI has a much larger budget than the UAFP, its scope is more limited, as it focuses on customs equipment specifically. The complementarity between the two programmes was identified at the proposal stage of the UAFP Regulation; however, it was noted that each focuses on different types of support to national and/or customs authorities[232].

[232] European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

On technical assistance, the adoption of the CCEI allowed the UAFP to focus on advanced tools and technologies, including data analysis. This generated valuable synergies and complementarity across the two programmes, while avoiding overlaps[233].

To limit and avoid such duplication, OLAF and DG TAXUD provided guidance to applicants and beneficiaries to distinguish between the UAFP and CCEI. Regular efforts were made to ensure closer and more effective cooperation between OLAF and DG TAXUD, via formal (e.g. Inter-Service Steering Group meetings; joint meetings at various levels) and informal (e.g. regular and ad hoc exchanges between officers) means to avoid duplication and increase synergies.

Cooperation took place at different stages, in particular when setting up the relevant Regulations (e.g. DG TAXUD and other Commission's services providing input to the impact assessment for the UAFP), developing the annual work programmes for the two instruments, launching the calls for applications, evaluating the applications received (e.g. to avoid double-financing), and evaluating effectiveness.

5.2.1.2 Regulation (EU) 2021/444 establishing the Customs programme for cooperation in the field of customs (Customs programme Regulation)[234]

Regulation (EU) 2021/444 establishes the Customs programme to further modernise the Customs Union, supporting the development and uniform implementation of customs legislation and policy and facilitating cooperation on customs for the financial period 2021-2027. It includes funding for collaborative activities, administrative and IT capacity-building, including human skills and training, and the development and operation of EU electronic systems and innovation in customs policy.

The Customs programme Regulation indicates that the programme should exploit possible synergies with other Union measures in related fields, such as the UAFP[235], with a view to ensuring cost-effectiveness.

Table 27 in Annex 2 of the ICF study report indicates the common elements between the UAFP and the Customs programme. These common aspects raised questions about their differences and the avoidance of duplication of efforts[236].

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[233] European Commission, Anti-Fraud – Performance, Union Anti-Fraud Programme: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

[234] Regulation (EU) 2021/1077 of the European Parliament and of the Council of 24 June 2021 establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment, PE/43/2021/INIT, OJ L 234, 2.7.2021, pp. 1-17.

[235] Preamble, Paragraph (5) of the Customs programme regulation, Regulation (EU) 2021/444 of the European Parliament and of the Council of 11 March 2021 establishing the Customs programme for cooperation in the field of customs and repealing Regulation (EU) No 1294/2013, (OJ L 87, 15.3.2021, p. 1).

[236] Interview with the European Commission.

One the most significant common aspects is the fact that both programmes aim to contribute to the protection of EU financial and economic interests and may therefore address the same customs and trade policy topics (as part of their general and specific objectives). While this is common ground, the nature and scope of the two programmes is clearly distinguishable: the Customs programme focuses solely on customs cooperation and aspects of the customs union, while the UAFP provides support to the fight against fraud, which is outside the scope of the Customs programme. The UAFP is non-specific in its law enforcement aspects and, as such, goes beyond the customs domain. The scope of the two programmes thus does not overlap fully.

Despite the fact that both programmes may finance electronic/IT systems and both can support specialised training, risk analysis workshops, conferences and studies to improve cooperation and coordination, the Customs programme cannot do so if the objective reaches beyond its legal scope[237].

Through its provision on technical assistance, the UAFP is used to fund the acquisition of highly specialised technical equipment that can be used beyond customs activities, with OLAF increasingly focused on the expenditure side. The purchase of any similar technical equipment is excluded under the Customs programme.

To avoid overlaps, DG TAXUD and OLAF work together very closely (formally and informally) to coordinate and build complementarities. The competent DGs have reached a clear understanding of the differences between the two programmes[238]. They have also engaged actively with applicants and beneficiaries to provide guidance on the specific objectives and functioning of the programmes. The similarities were already evident at the time of Hercule III, but similar policy aspects were addressed through cooperation (confirmed by stakeholders during the final evaluation of Hercule III)[239].

5.2.1.3 Regulation (EU) 2021/847 establishing the 'Fiscalis' programme for cooperation in the field of taxation (Fiscalis programme regulation)[240]

Regulation 2021/847 establishes the Fiscalis programme (2021-2027), which supports cooperation on taxation, particularly to protect EU and national financial and economic interests, including against tax fraud, evasion, and avoidance.

The Fiscalis programme has the specific objective to support tax policy and the implementation of EU law relating to taxation, foster cooperation between tax authorities (including the exchange of tax information) and provide administrative capacity-

[237] Legal basis of the Customs programme does not include Article 87 or Article 325 of the TFEU.

[238] Interview with the European Commission.

[239] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

[240] Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 establishing the 'Fiscalis' programme for cooperation in the field of taxation and repealing Regulation (EU) No 1286/2013, PE/35/2021/INIT, OJ L 188, 28.5.2021, pp. 1-17.

building. Both the Fiscalis programme and the UAFP relate to protecting the financial interests of the Union.

To combat fraud and tax evasion, the Fiscalis programme presents indirect links with the UAFP and OLAF's activities. Among the activities eligible for funding under the Fiscalis programme are training activities, human competency-building, and other capacity-building actions.

Several of the actions eligible for funding under the Fiscalis programme are similar to those eligible under the UAFP, as training activities, administrative cooperation and capacity development can be funded under both programmes. Cooperation, both formal (e.g. evaluations of applications) and informal (exchanges between officers) between OLAF and DG TAXUD is essential to ensure that the funding under the two programmes cover different aspects of the mission to protect EU financial interests[241].

5.2.1.4 Regulation (EU) 2021/240 establishing a Technical Support Instrument (TSI Regulation)[242]

The TSI (DG REFORM) builds on the structural reform support programme (SRSP) established by Regulation (EU) 2017/825[243]. It ensures that the European Commission provides support to Member States to improve their institutional and administrative capacity to develop and implement reforms.

The scope of the TSI is broader than the UAFP. The objectives of the TSI Regulation refer to several policy areas, including institutional reform, simplification of rules and procedures, reform of justice systems, strengthening financial supervision, and reinforcement of the fight against fraud, corruption, and money laundering. Within the TSI, support is also provided for the design and implementation of anti-fraud strategies and customs reforms.

The research did not identify overlaps between the two programmes, each of which is intended to reinforce the fight against fraud and facilitate the digital transition.

5.2.1.5 Regulation (EU) 2021/693 establishing the Justice programme (Justice programme regulation)[244]

The Justice programme is designed to further develop a European area of justice based on the rule of law, mutual recognition and mutual trust, and judicial cooperation. Its

[241] Interview with the European Commission.

[242] Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, OJ L 57, 18.2.2021, pp. 1-16.

[243] Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013, OJ L 129, 19.5.2017, pp. 1-16.

[244] Regulation (EU) 2021/693 of the European Parliament and of the Council of 28 April 2021 establishing the Justice programme and repealing Regulation (EU) No 1382/2013, PE/24/2021/INIT, OJ L 156, 5.5.2021, pp. 21-38.

specific objectives include promoting and supporting judicial cooperation in civil and criminal matters and developing and implementing training activities for the judiciary.

The target audience of both the Justice programme and the UAFP includes judiciaries or public prosecutors, implying that there might be overlaps and complementarities between the training activities financed under the two programmes. This was confirmed during the stakeholder consultation. To avoid duplication, the DG for Justice and Consumers (DG JUST) and OLAF work closely together through official coordination meetings and ad hoc exchanges at desk officer level to provide targeted training to stakeholders, covering different aspects relevant to the protection of the financial interests of the Union[245].

5.2.1.6 Regulation (EU) 2021/695 establishing Horizon Europe – the framework programme for research and innovation, laying down its rules for participation and dissemination (Horizon Europe, Cluster 3 - Civil Security for Society)[246]

Horizon Europe is the EU's key funding programme for research and innovation. It facilitates collaboration and strengthens the impact of research and innovation in developing, supporting and implementing EU policies, while tackling global **challenges**. It supports the creation and (better) diffusion of excellent knowledge and technologies. Legal entities from the EU and associated countries can participate.

Cluster 3 of Pillar 2 (Global Challenges and European Industrial Competitiveness) is dedicated to Civil Security for Society. It responds to the **challenges** deriving from security threats, including cybercrime, as well as natural and man-made disasters. Accordingly, Cluster 3 funds research and innovation projects on crisis management, the fight against crime and terrorism, external and border security, cybersecurity, privacy, and trust.

Cluster 3 has a broad scope, as it seeks to support policies for internal security. Funded areas include projects related to the authentication of documents and cryptocurrency transactions (for criminal purposes), which are relevant for internal security and to combat other illicit activities, such as financial fraud[247].

Under Cluster 2 (Culture, creativity and inclusive society), the funds for Democracy and Governance are directed to research focused on strengthening democratic governance and trust in institutions and protecting fundamental rights. This includes funds for

[245] Interview with the European Commission.

[246] Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013, OJ L 170, 12.5.2021, pp. 1-68.

[247] Decision C (2023) 2178, Horizon Europe Work Programme 2023-2024, 6. Civil Security for Society, https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/wp-call/2023-2024/wp-6-civil-security-for-society_horizon-2023-2024_en.pdf.

initiatives covering corruption, although the scope is broader than for anti-fraud initiatives under the UAFP.

Although the training section of UAFP provides funding for training, conferences, seminars, comparative studies, webinars, and e-learning activities, as well as the publication of the European Criminal Law Associations' Forum, the scope of these projects is more limited than the studies financed under Horizon Europe, which are intended for research and innovation and thus take a more forward-looking approach[248].

5.2.1.7 Regulation (EU) 2021/840 establishing a programme to protect the euro against counterfeiting for the 2021–2027 period (Pericles IV programme Regulation)[249]

Regulation 2021/840 establishes an exchange, assistance, and training programme (Pericles IV) to protect the euro against counterfeiting. Its general objectives are to prevent and combat counterfeiting and related fraud and preserve the integrity of euro banknotes and coins. The Pericles IV programme supports and supplements national measures and helps national and EU authorities to develop close cooperation and exchange best practices.

The support can take the form of grants for co-financing projects proposed by national authorities. Among the activities eligible for funding this component are: training and information exchange; technical, scientific and operational assistance; and purchase of equipment used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting. The Pericles IV programme provides funding for projects initiated by the Commission, such as transnational conferences, training and workshops.

There is some complementarity between the two programmes, although the Pericles IV programme has a more limited scope, focusing solely on the protection of the euro against counterfeiting and related fraud. By contrast, the UAFP supports action to combat fraud, corruption and any other illegal activities affecting the Union's financial interests.

5.2.1.8 Mechanisms aimed to prevent overlapping between the UAFP and other financial instruments

Mechanisms and cooperation measures bring together the various stakeholders to prevent overlaps of financial instruments with similar objectives.

[248] Interview with the European Commission.

[249] Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021 establishing an exchange, assistance, and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV' programme), and repealing Regulation (EU) No 331/2014, OJ L 186, 27.5.2021, pp. 1-11.

To allow for cooperation, formal and informal mechanisms are in place across the DGs to avoid or remedy potential overlaps and ensure better synergies between EU-funded programmes.

The formal cooperation takes place during the preparation of the annual work programmes for the different funding instruments. The programmes and their legislative activities (adopting the financing decisions and annual/multiannual work programmes) are subject to inter-service consultations, which see the legislative proposal submitted to all relevant Commission services for their advice and consent and to ensure coordination between the programmes managed by those services.

The DGs also coordinate their work for the launch of the calls for applications and the subsequent evaluation of those applications to identify those that may contain overlaps and to prevent over- or double financing. In practical terms, this means that officials of OLAF are part of the evaluation committees set up each year to assess the applications received under other programmes, and that officials of other DGs participate in the evaluation committee for the assessment of applications submitted for UAFP funding.

In addition to these formal mechanisms, there are informal channels of cooperation for exchanges at the level of policy officers of the competent units. This informal cooperation is crucial to leverage the in-house expertise on the differences in scope and area of competence between the UAFP and, for example, DG TAXUD's programmes.

Enhanced and regular coordination is ensured between DG TAXUD and OLAF, as well as between DG JUST and OLAF, to avoid overlaps in providing grants and training to (partly) the same target audience.

At a higher level, cooperation was guaranteed when developing and adopting the regulations founding the instruments (e.g. DG TAXUD contributed to the impact assessment for the UAFP Regulation), as well as when evaluating their implementation and results.

3.4 Relevance

Relevance addresses the relationship between the needs and problems at the time of the implementation of the intervention – in the present case, over the 2021-2024 period of the UAFP. It also considers the relationship between current and future needs and problems in the EU in the policy area in question, according to the objectives of the intervention.

The ex-ante evaluation of the UAFP in 2017-2018 identified the needs of stakeholders working within the programme (particularly at Member State level) in relation to the fight against fraud for the upcoming period. It concluded that support provided by Hercule III was crucial to countering cross-border fraud against EU financial interests

and that this should remain a priority for the EU, to be pursued by the next such iteration[250].

The main needs identified during the legislative preparatory works towards the adoption of the UAFP Regulation were:

- Lack of up-to-date technical equipment and support in the Member States;
- Increase in new forms of fraud and rapid development of sophisticated technical tools used by criminals[251];
- Need for cooperation between stakeholders (including the exchange of best practices and experiences);
- Need for access and exchange of data and information between stakeholders and Member States.

3.4.1 Main conclusions: relevance of the UAFP

- The relevance assessment finds that the objectives and activities of the UAFP have been broadly relevant over the course of the evaluation period, both to the general objectives of the programme and to the needs of its applicants, beneficiaries (Hercule) and users (AFIS and IMS)
- Hercule and AFIS have been relevant in identifying and combating emerging trends in the area of fraud against the EU's financial interests, despite some evidence to suggest that the Hercule component would benefit from a significant increase in financial resources to keep up with new trends in digitalisation (characterised by intense innovation and change) and the fact that yearly applications have increased considerably (2021-2023: 100% increase for technical assistance and training applications) Although costly, the exploration of AI-based options should be considered. The upcoming expansion of the programmes' reach to Ukraine, and potentially to other candidate countries, further supports this suggestion
- The activities (primarily under the Hercule component) are deemed to have been highly relevant, particularly in view of stakeholders' needs

Source: ICF analysis.

3.4.2 To what extent have the specific objectives been relevant to the general objectives in the period 2021-2024?

This section examines the relevance of each of the three UAFP specific objectives to its broader general objectives:

- To protect the Union's financial interests;

[250] European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

[251] View echoed in interviews with two beneficiaries of Hercule III funding, who both stated that a key emerging challenge is criminals' proficiency with complex encryption technology and communications.

- To support mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure that the law on customs and agricultural matters is correctly applied.

Protection of the EU's financial interests is necessary to maintain citizens' trust in the sound and efficient spending of the EU budget. As key agents in the fight against fraud, protecting the interests of the UAFP's key stakeholders is crucial to ensuring that the EU is prepared for ongoing threats. Meeting these interests is thus a direct success factor for the achievement of the general objectives. Assessing how the objectives of the UAFP are relevant to the current situation requires understanding current threats to EU financial interests, as well as the needs of stakeholders identified prior to the start of the programme.

The specific objectives of the UAFP are considered relevant to the programme's general objectives. The relevance of the first specific objective to the general objectives has been carried over from the previous iteration of the programme and is supported by positive evidence from the survey of applicants/beneficiaries, interviews and case studies. The Hercule component also demonstrates relevance to the needs identified at the ex-ante stage, and responds clearly to the expressed needs of its beneficiaries.

The second specific objective and the AFIS platform have been found to be relevant to the general objectives. The consultative process of developing the AFIS work plan and the clear feedback from the consultation show that AFIS is clearly suited to current user needs and to the needs identified ex ante.

The third specific objective and the IMS reporting tool are deemed to be well grounded in the context and operational needs of OLAF, Member States and other beneficiary authorities, and is also relevant to the wider objectives of the UAFP. The IMS responds to the need to react to expenditure fraud (identified at the start of the programme), and, supported by the high 2023 user satisfaction rate of 91%, its ability to respond to user needs remains high.

3.4.2.1 Specific Objective 1 (Hercule component)

As part of its first specific objective, the UAFP aims to prevent and combat fraud, corruption and other activities that affect the Union's financial interests. This sub-section explores how this stated objective is relevant to the programme's general objectives. It also assesses the relevance of the Hercule component to the scope and stakeholder needs identified at the time of the ex-ante evaluation of the UAFP. This information is analysed alongside stakeholders' views, specifically how this component responds to their needs. The following information should be read together with the data and analysis of effectiveness, as this objective is inextricably linked with the performance of the UAFP over the evaluation period.

The final evaluation of the Hercule III programme found that specific objective 1 (still specific objective 1: prevent and combat fraud, corruption and other activities that affect

the Union's financial interests) was already highly relevant to achieving the goal of protecting the Union's financial interests[252].

At the time of the previous evaluation, 83% of all respondents to the surveys stated that specific objective 1 was completely or highly relevant to protecting the financial interests of the EU[253]. In principle, this objective has maintained its relevance to the general objectives in the current evaluation period (2021-2024), as it addresses the same issues.

In the context of the current study, surveyed applicants and beneficiaries of Hercule funding overwhelmingly agreed that this specific objective is relevant to the general objective of protecting the Union's financial interests. A large majority (14 out of 15 beneficiaries, 93%) either agreed or strongly agreed that Specific Objective 1 (to prevent and combat fraud, corruption and any other illegal activities affecting the EU financial interests) is relevant to its general objective to protect the EU's financial interests, corresponding to a 10 percentage points' increase since the Hercule III evaluation[254].

Five beneficiaries of Hercule grants who participated in semi-structured interviews confirmed that the specific objectives of the UAFP are relevant to the general objectives. One participant praised the broad remit of the general objectives for their ability to cater to the needs of users across a large number of Member States[255].

All 14 survey respondents with unknown status of applications agreed or strongly agreed that this specific objective is relevant to the general objective to protect the EU's financial interests[256].

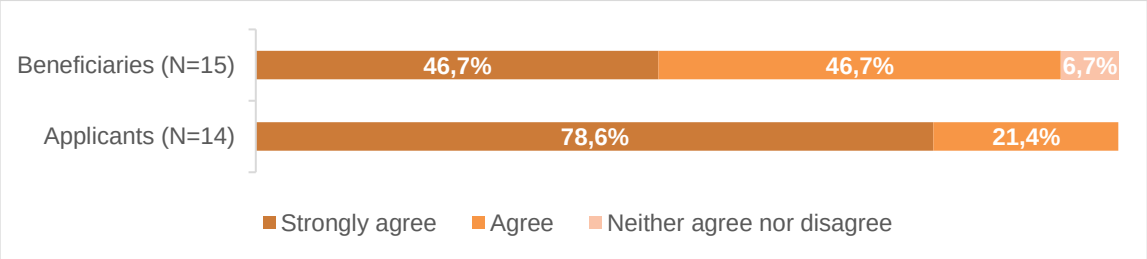
The relevance of the Hercule programme in relation to its ability to comply with the stated needs of its recipients was also measured previously: for the training grants finalised in 2021, participants and trainees had a satisfaction rate of 91%, considering the activities very well suited to their needs[257]. This was confirmed by the results of the current consultation, with 18 beneficiaries of Hercule grants interviewed stating that the specific objectives of the UAFP are relevant to their operational needs as organisations. It also complies with one of the needs identified before the programme (the lack of up-to-date equipment and support), in that the Hercule component is tasked with providing technical assistance and training support to its beneficiaries. Stakeholders believed that this need has now been covered.

The case study on investigative capacity found that 'beneficiaries (…) confirmed that the equipment and skills acquired with the financial support of the programme corresponded to the needs of their organisations to upgrade the available investigative resources and the

[252] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.
[253] 76% of users of services (N=134), 83% of participants (N=71), 91% of applicants (N=127).
[254] Survey of applicants and beneficiaries, Q7: 'Yes' respondents.
[255] Interviews with beneficiaries.
[256] Survey of applicants and beneficiaries, Q13: 'I don't know' respondents.
[257] Survey of applicants and beneficiaries, Q13: 'I don't know' respondents.

needs of end users (members of investigative teams operating surveillance systems and processing surveillance data) to be trained in the newly acquired equipment and systems'.

Figure 10 - To what extent do you agree with the following statements: The specific objective of the UAFP 'to prevent and combat fraud, corruption and any other illegal activities affecting the EU financial interests' is relevant to its general objective to protect the EU financial interests?



Source: OLAF survey of applicants/beneficiaries (N=15).

The proportion of Member States receiving UAFP funding is an indicator of how well the UAFP supports Member State authorities to combat fraud and support mutual assistance between administrative authorities. By extension, how well this specific objective is being achieved reflects its relevance to both overarching general objectives.

In 2021-2023, the percentage of Member States benefiting from support was 100%, surpassing the target of 81%, and also surpassing the target set for 2027 (the final year of the UAFP)[258].

This coverage was 89% in years where data are available for Hercule III, 2014-2016[259]. These data reflect the programme's catering (under Specific Objective 1) for the stated needs of its recipients in the fight to prevent and combat fraud, corruption and other activities that affect EU financial interests.

3.4.2.2 Specific Objective 2 and AFIS component

Specific Objective 2 of the UAFP is to provide tools for information exchange and support for operational activities in the field of mutual administrative assistance in customs matters. Again, this objective is aligned with the general objective of 'protecting the Union's financial interests', as any tool that furthers the cooperation of institutions involved in customs cooperation, in principle, furthers EU and Member States' ability to fight fraud.

This objective is clearly aligned with the general objective of 'supporting mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure that the law on customs and agricultural

[258] European Commission, Anti-Fraud – Performance, Union Anti-Fraud Programme: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

[259] European Commission, Mid-term evaluation of the Hercule III programme, CEPS, Economisti Associati, CASE, wedoIT, 2017, https://op.europa.eu/en/publication-detail/-/publication/472e59a1-07cd-11e8-b8f5-01aa75ed71a1/language-en/format-PDF/source-68460881.

matters is correctly applied'. The formulation of this objective (and the evidence described below) suggests that the key need identified at the beginning of the programme to 'access and exchange data and information between stakeholders and Member States' is covered by the AFIS component of the UAFP.

The relevance of the UAFP under this objective, and the relevance of this objective to the overarching general objectives of the UAFP, was primarily determined through information on how the AFIS component and its associated applications are designed and perform. Indeed, the Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the annual work programme for 2021 describes the three components as individually linked with each of the specific objectives[260]. This is further supported by the close alignement in the stated purposes of the specific and general objectives.

To remain relevant over the lifetime of the UAFP, AFIS needs to remain in touch with the needs of its users. Accordingly, the AFIS work plan is drafted annually in consultation with OLAF business managers, and following feedback from users in Member States and OLAF on the improvements and priority developments needed. The work plan and its progress is presented and validated by the AFIS Steering Committee in June and December each year[261]. AFIS end users in OLAF and Member States are involved in developing the systems from early on, or in relevant updated versions via dedicated workshops and training sessions. Their input is also gathered through the Expert Group for mutual assistance on customs matters (EMAC) and other relevant meetings with Member States. A user satisfaction survey on AFIS is conducted by OLAF every two years (2019, 2021 and 2023)[262].

Users' reported experience of AFIS's ability to suit their needs is a direct indicator of its relevance under both general objectives, as it is a testament to their increased ability to protect the Union's financial interests, and a marker of increased mutual assistance between Member State authorities and the Commission in the fight against fraud.

In 2019, when asked whether the AFIS applications they most frequently used responded to their professional needs, 57% of surveyed users agreed, while 27% slightly agreed[263].

The results of the survey for this current study allow a consolidated assessment of the AFIS applications. When asked whether '*The AFIS application(s) I use the most frequently respond(s) to my professional needs*', 59% of users agreed, while 23% slightly agreed. The level of satisfaction of AFIS users in the applications they most commonly use has remained consistently positive over the course of the evaluation period.

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[260] Annex to the Commission Implementing Decision on the financing of the Union Anti-Fraud Programme and the adoption of the work programme for 2021, https://anti-fraud.ec.europa.eu/system/files/2021-10/uafp_work_programme_2021_en.pdf

[261] Interview with OLAF (AFIS).

[262] Interview with OLAF (AFIS).

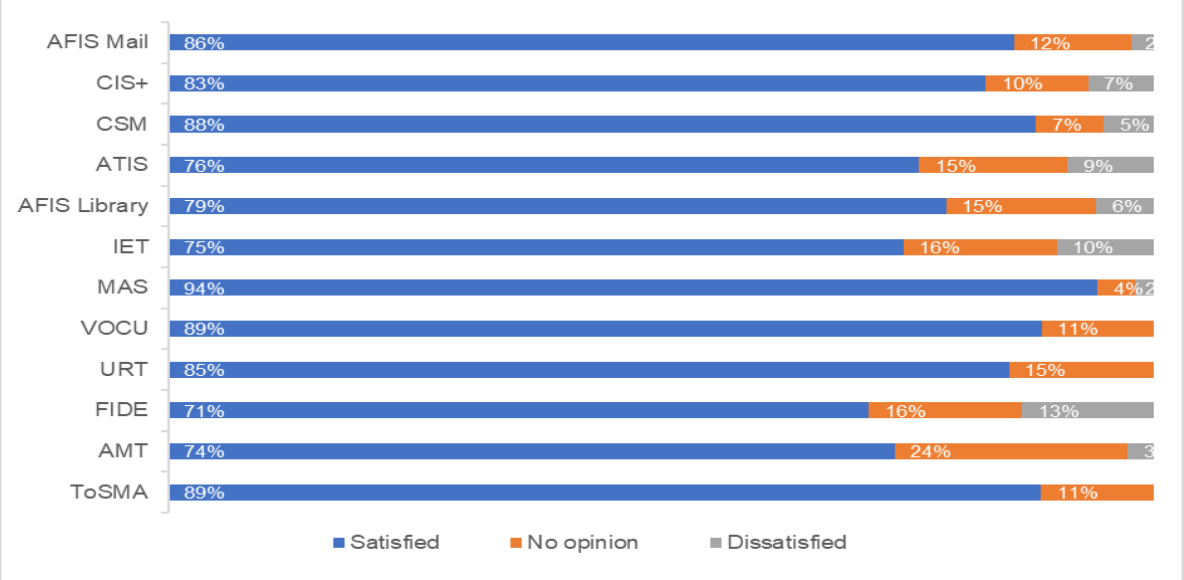
[263] OLAF, AFIS Survey 2019 Summary Report, 2020.

AFIS users were surveyed on the functionality of the applications they use. 'Functionality' describes the level of quality in the design of an application and may refer to the quality, variety and usefulness of its available features. It relates to the level at which an application can satisfy the needs of users and is therefore a useful indicator of relevance.

Figure 11 presents the level of user satisfaction with the functionality of AFIS applications, ordered from most used (AFIS Mail)[264] to least used (ToSMA)[265]. The rate of satisfaction with functionality was generally high, with an average of 81% across all AFIS applications. The highest satisfaction rate for functionality was for the Mutual Assistance System (MAS) (94%)[266].

The user survey revealed that the applications are well designed in the quality of their response to user needs. The AFIS component therefore performs sufficiently well to assess Specific Objective 2 as clearly relevant to the general objectives of the UAFP.

Figure 11 - AFIS satisfaction survey (aggregation of questions): Are you satisfied with the functionality (does it have the features you need) of:



Source: AFIS satisfaction survey 2023 (N=1 320).

3.4.2.3 Specific Objective 3 – the IMS component

Specific Objective 3 of the UAFP to 'support the reporting of irregularities, including fraud, found with the shared management funds and pre-accession assistance funds of the Union budget' is, in virtue of this context, directly relevant to the general objective of protecting the Union's financial interests.

[264] AFIS satisfaction survey 2023: AFIS Mail users: 632 respondents out of 1 311.
[265] AFIS satisfaction survey 2023: ToSMA users: 73 respondents out of 1 311.
[266] AFIS satisfaction survey 2023: 'Are you satisfied with the FUNCTIONALITY (does it have the features you need)': Satisfied: 105 respondents; No opinion: 5 respondents; Dissatisfied: 1 respondent.

The performance of the UAFP under this specific objective, and its relevance to the general objectives, was primarily determined by the performance of the IMS component, which is tasked with supporting the reporting of irregularities.

Although the number of fraudulent and non-fraudulent irregularities fluctuates little and is generally stable, it nevertheless remains at a level that necessitates action on the part of the EU[267]. Recent years have seen steady increases in the financial volumes linked to fraudulent irregularities, both for revenue (TOR) and expenditure. In 2021, compared to the five-year average in the period of 2017-2021, the financial amounts linked to fraudulent irregularities (TOR) increased by 32%, with a fraud detection rate (FDR) of 0.63% for 2021[268]. The increase observed was mirrored by the situation for fraud on expenditure. Although, financial amounts linked to fraudulent activities in the area of agriculture decreased by 28% in the same period, the FDR was nearly the lowest of any expenditure stream, at 0.06%[269]. The need for a strong tool for Member States to detect and manage irregularities is crucial to the success of the UAFP.

IMS is generally perceived as a useful tool for reporting and tracking irregularities and fraud. The IMS is the only system at EU level, and the only system in some Member States, that gathers data on past and closed cases of irregularities. It is also the only application in the AFIS environment that is focused on expenditure, and its acquisition of its own separate budget was a reflection of its importance within the broader AFIS infrastructure[270]. One of the key needs identified at the time of the ex-ante evaluation of the UAFP was 'the need for the programme to place an increased focus on expenditure fraud'[271]. The IMS is also found to be reliable and to provide a standardised way for Member States to collect data on irregularities[272].

Between 2019 and 2021, the user satisfaction rate for the IMS, as measured by OLAF, increased from 70% to 84% and surpassed its stated target of 72% for 2021. The 2023 survey showed a satisfaction rate of 91% (across functionality and performance)[273].

One interviewee at OLAF pointed to certain **challenges**, however, noting that new users are starting to use the system without sufficient training, and that the system has not undergone any major improvement for a long time[274].

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[267] European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

[268] PIF Report 2022.

[269] PIF Report 2022.

[270] Interview with OLAF (IMS).

[271] European Commission, Ex ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

[272] European Commission, Anti-Fraud – Performance, Union Anti-Fraud Programme, 2023, https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

[273] AFIS satisfaction survey 2023.

[274] Interview with OLAF.

A new version of IMS was deployed on 1 October 2024, consisting of a deep upgrade to state-of-the-art technologies and additional improvements to the look & feel of the interface, improved search and better statistics. This was accompanied by reviewed manuals and planned training until the end of 2024 for all IMS users.

3.4.3 To what extent are the specific objectives still relevant to emerging trends, including in the development of new crime types and techniques?

This section examines whether the specific objectives of the UAFP are still relevant to emerging trends in the realm of the fight against fraud, including the development of new crime types and techniques.

Overall, the specific objective of the UAFP determining the direction of the Hercule component provides an adequate platform to prevent fraud that affects the Union's financial interests in the context of new and emerging crime trends. However, operational results suggest that more concrete support could be provided to beneficiaries implementing projects explicitly targeting this objective, i.e. by cementing the importance of digitalisation in the language of the specific objectives, or increasing the funds available for projects promoting the digital transition. The findings on the second objective, which is the basis for the AFIS component, shows that AFIS enables the identification of new and emerging trends (although in a more specific policy context), and is therefore deemed to be relevant to emerging trends. This assessment is supported by the positive results from the survey of AFIS users.

3.4.3.1 Hercule component

There is room to examine the extent to which funding can support the fight against fraud in the context of new and emerging trends. Under calls for proposals for UAFP support, the Commission encourages applicants to explore certain indicative policy areas, including 'the fight against revenue fraud, including customs data analysis and new **challenges** in the field (such as e-commerce)'[275].

OLAF identifies digitalisation as an important trend in the fight against fraud, and one for which Member State authorities and the Commission need to be prepared. E-commerce has seen steady growth over the past decade, with accelerated growth as a result of the COVD-19 pandemic[276]. This has increased the potential for several types of fraud related

[275] OLAF, Union Anti-Fraud Programme (UAFP) Call for proposals Technical Assistance (EUAF-2023-TA) Training, Conferences, Staff Exchanges, and Studies (EUAF-2023-TRAI), 2023, https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/euaf/wp-call/2023/call-fiche_euaf-2023-ta_euaf-2023-trai_en.pdf.

[276] Since 2019, the growth in the percentage of internet users buying goods or services online has outpaced the growth in the number of internet users as a whole: European E-commerce, 2022, https://ecommerce-europe.eu/wp-content/uploads/2022/06/CMI2022_FullVersion_LIGHT_v2.pdf.

to e-commerce, such as the rise in small value parcels and other forms of cybercrime-related fraud[277].

OLAF states that, 'Despite having been the object of several recommendations in the past, the focus on the digitalisation of the fight against fraud is more relevant than ever. The opportunities offered by new technologies should be exploited to the full, in order to counter fraudsters who appear to be more organised and tech-savvy than ever'[278].

That assessment signifies that the scope and trajectory of the UAFP remains relevant to the problems identified in the final Hercule III evaluation in 2021, where the 'increase in new forms of fraud and rapid development of sophisticated technical tools used by criminals' was highlighted as a key operational need to be addressed in the subsequent programming period[279].

Generally, the Hercule component has funded a large number of projects to increase digital readiness, including both technical support and training projects centring on new digital tools[280] and the fight against cybercrime[281].

In 2021, procurement under the Hercule component amounted to EUR 707 360 for (access to) IT databases and EUR 717 961 for IT tools and tobacco analysis[282]. Beneficiaries cited the need to develop, increase or upgrade IT tools for investigating and monitoring intelligence work as the most frequent reason to apply for a call for proposals (60%)[283]. This is in line with the 2021 assessment that Member States lacked 'up-to-date technical equipment and support'[284].

Beneficiaries interviewed emphasised the importance of digital readiness as a key component of the current landscape of the fight against fraud. Some interviewees even suggested adding a specific objective on 'technology enabled fraud' to further support this area. While the specific objectives are already relevant to emerging trends, some beneficiaries noted that their statement of purpose in the context of emerging trends,

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277 European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

278 PIF Report 2022.

279 European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

280 An analysis of application forms for the Hercule component found 14 projects to deliver digital tools.

281 An analysis of application forms for the Hercule component found four projects to develop new methods in the fight against various forms of cybercrime, specifically new forms of fraud against the EU's financial interests.

282 PIF Report 2021.

283 Survey of applicants and beneficiaries, Q8: 'Yes' respondents.

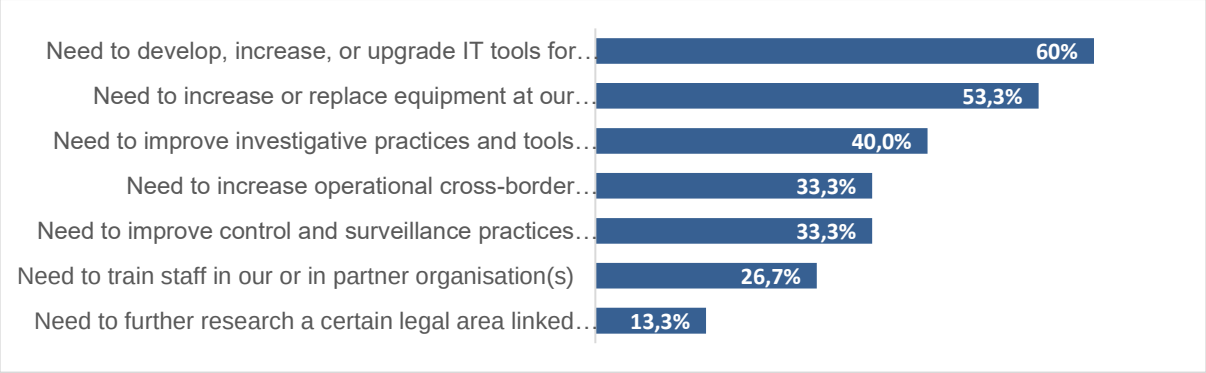
284 European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

specifically digital preparedness, could be consolidated through a potential update of the specific objectives.

Some responses to the survey of applicants and beneficiaries indicated that the UAFP may be able to support Member States' ability to respond to new **challenges** in the fight against fraud by funding relevant areas in anti-fraud investigations. Of the beneficiaries of grants under the Hercule component, eight out of 14 (57%) had received grants to strengthen investigations, as well as data analysis and forensics.

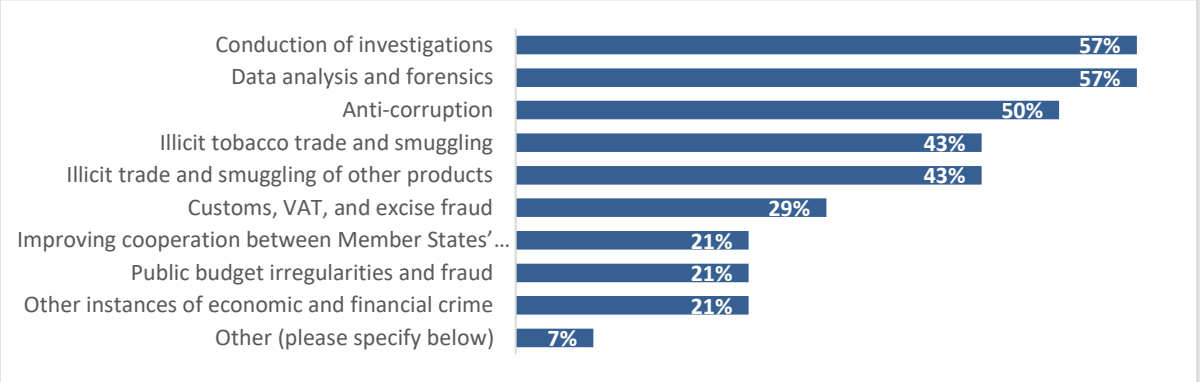
Six beneficiaries (43%) have received grants to strengthen their capacity in the fight against illicit tobacco trade and smuggling, and illicit trade and smuggling of other products. Another four (29%) have received grants to strengthen their capacity to fight customs, VAT and excise fraud[285].

Figure 12 - What was your interest in applying to one of the calls for proposals?



Source: OLAF survey of applicants/beneficiaries (N=29).

Figure 13 - What policy area(s) did your grant application cover?



Source: OLAF survey of applicants/beneficiaries (N=29).

Some training projects have the explicit goal of directly investigating the potential for emerging criminal threats. One in particular (IT) aims to identify the new threats to the EU's financial interests that might arise from the digitalisation of processes relevant to fiscal operations. Notably, it seeks to investigate criminal behaviours facilitated by the

[285] Survey of applicants and beneficiaries, Q4.1: 'Yes' respondents.

use of ICT in trading operations, invoicing and disclosure of tax information, which could create new opportunities to commit VAT fraud in the cyber space.

Another has the long-term goal of equipping employees with the necessary skills and knowledge to tackle new and emerging forms of fraud, corruption, and other illegal activities, and to lead to more efficient and effective protection of EU financial interests.

Statistical analysis of the application forms for the Hercule component reveals that at least seven applicant institutions directly state under the 'Impact and ambition' section that they seek to prepare for the likely scenario where new trends and modi operandi will emerge in their area of enforcement, namely digital and digital payments fraud, criminal intelligence and procedural aspects of fraud crime investigations.

In all projects covered by the case study on digitalisation, the calls for proposals were highly relevant to beneficiaries' needs, as they aimed to prevent and combat fraud by reinforcing the investigative capabilities and capacity of national authorities through the use of digitalisation, purchase of software for data analysis/surveillance equipment, and upgrading digital forensics.

Although AI-related tools would increase time and task efficiency for OLAF or national authorities, the costs of purchasing the necessary hardware would be substantial and necessitate an expansion of the UAFP[286]. The increased cost of hardware is also applicable to areas beyond AI, covering existing tools funded by the UAFP.

While the Hercule component is relevant to supporting the fight against emerging trends through its thorough focus on providing digital tools to beneficiaries, its broader relevance would benefit from increasing the volume of funding and projects explicitly focused on these issues. OLAF stakeholders noted the importance of an increase in funding, in particular in light of the expansion of the UAFP to Ukraine – an agreement was signed in February 2024, allowing Ukrainian authorities access to the funding provided.

3.4.3.2 AFIS component

The Commission, including OLAF, has designated tobacco smuggling, in addition to significant public health and organised crime risks, as causing 'heavy losses to the budgets of EU countries and the EU institutions'[287, 288]. It has stepped up the fight against

[286] Interview with OLAF.

[287] OLAF, Tobacco smuggling, n.d., https://anti-fraud.ec.europa.eu/investigations/investigations-related-eu-revenue/tobacco-smuggling_en.

[288] Cigarette smuggling costs national and EU budgets more than EUR 10 billion annually in lost public revenue and is a major source of organised crime, including terrorism (Michalopoulos, S., EU anti-fraud official: Tobacco smuggling is "major source" of organised crime', *Euractiv*, 7 February 2017, https://www.euractiv.com/section/trade-society/interview/olaf-official-tobacco-smuggling-major-source-for-organised-crime/ .

illegally traded tobacco, in accordance with the relevant Council Conclusion of 2017[289]. Although the fight against tobacco smuggling has been a priority of Commission services for several years, there is evidence to suggest that this area is experiencing new and emerging crime trends[290]. The ex-ante evaluation of the UAFP had also found that 'Today more than ever, especially in view of the increasing sophistication of criminal groups, customs fraud can take various forms: there can be undervaluation, misclassification of goods, origin fraud and outright smuggling, including notably of tobacco and other excisable products'[291].

The AFIS component of the UAFP has remained relevant to tobacco smuggling. In particular, the ToSMA supports Member States and OLAF in submitting requests for the analysis of seized tobacco products. ToSMA may have the long-term advantage of increasing investigators' awareness of the provenance of illegal tobacco products and determining new trends in tobacco smuggling[292, 293]. ToSMA's operations enables the Commission's Joint Research Centre (JRC) to maintain a repository of commercially available cigarettes purchased at licensed tobacconists around the world, from which statistical models are built. The repository now contains 1 165 tobacco products from 71 countries, against which new products can be compared[294].

ToSMA, despite being among the lowest-used applications under AFIS, is one of the highest-rated for functionality, at 89% satisfaction. This was confirmed by the targeted

[289] Council document no 15638/17 of 11 December 2017.

[290] A study commissioned by Philip Morris International has found, for example, that 'there is increasing reason to be concerned about the continued and significant rise in counterfeit cigarettes, which escalated by 6.2% in 2022, reaching 13.1 billion cigarettes, and now accounts for 36.5% of the EU's total illicit cigarette consumption, marking the highest-ever recorded share and volume to date' (Philip Morris International, *Illicit cigarette consumption in the EU, UK, Norway, Switzerland, Moldova and Ukraine: 2022 results*, 2023, https://www.pmi.com/resources/docs/default-source/itp/kpmg-report---illicit-cigarette-consumption-in-the-eu-uk-norway-switzerland-moldova-and-ukraine---2022-results.pdf?sfvrsn=26f369c9_2

[291] European Commission, Ex-ante evaluation accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the EU Anti-Fraud Programme, SWD(2018) 294 final, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0294.

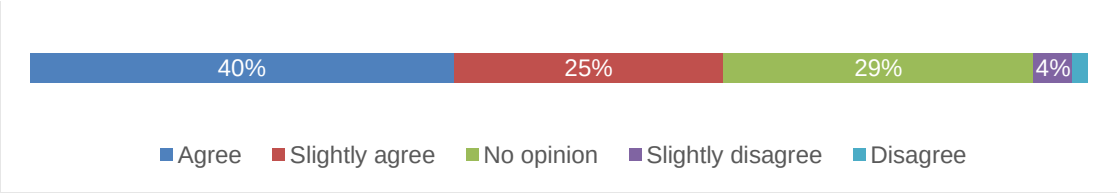
[292] In the period from 11 July 2021 to 12 July 2022, the JRC processed 80 requests from 10 Member States for analysis of seized cigarettes and raw/fine-cut tobacco samples. It was possible to draw connections between cigarettes seized in various places in the EU at various moments (42 samples could be connected to previous seizures) (UAFP, Annual overview, 2022).

[293] In the period from 12 July 2020 to 11 July 2021, the JRC processed 144 requests from 11 Member States for analysis of seized cigarettes and raw/fine-cut tobacco samples. It was possible to identify cigarettes that had been smuggled into the EU market and to draw connections between cigarettes seized in various places in the EU at various moments. Some 100 seizures were connected to each other. (European Commission, Annual overview with information on the results of the Union anti-fraud programme in 2021, COM(2022) 482, 2022, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A482%3AFIN.

[294] European Commission, Annual overview with information on the results of the Union anti-fraud programme in 2022, SWD(2023) 276, 2023, https://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX%3A52023SC0276.

survey of AFIS users. When asked whether the applications in AFIS provide up-to-date tools to tackle latest trends in fraud and related irregularities, 40% of users agreed, 25% slightly agreed, and 5% of users either disagreed or slightly disagreed.

Figure 14 - Do you agree with the following statement: 'The available applications in AFIS provide up-to-date tools to tackle latest trends regarding the crime of fraud and related irregularities'?



Source: AFIS satisfaction survey 2023 (N=1 320).

Notes: Agree: 529 respondents; Slightly agree: 336 respondents; No opinion: 387 respondents; Slightly disagree: 169 respondents; Disagree: 19 respondents.

3.4.4 To what extent have the activities of the programme been relevant for achieving its specific objectives in the period 2021-2024?

The training and technical assistance activities implemented under the Hercule component are found to be relevant to achieving the specific objective, based on evidence gathered from the study surveys, interviews and case studies. Although this question focuses mainly on activities under Hercule, it holds true for AFIS and IMS as well.

3.4.4.1 Hercule component

The activities covered under training grants, i.e. to strengthen cross-border cooperation and networking activities and contribute to the protection of the financial interests of the EU, were divided as follows[295]:

- **Activities covered under training grants**

  - Conferences, workshops and seminars to: (i) facilitate the exchange of information, experience and best practices, including in data analysis; (ii) create networks and improve coordination between Member States, candidate countries, other third countries, EU institutions and international organisations; (iii) facilitate multidisciplinary cooperation between anti-fraud practitioners and academics on protecting the EU's financial interests, including support to associations for European criminal law and for the protection of the EU's financial interests; and (iv) raise awareness among the judiciary and other legal professionals;

[295] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2022, C(2022) 1139, https://anti-fraud.ec.europa.eu/document/download/7824f63f-724b-486a-b7b9-d8880e4d5456_en?filename=uafp_work_programme_2022_annex_en.pdf.

- Specialised training sessions to improve investigation and data analysis abilities by acquiring new skills and knowledge of specialised methodologies and techniques;
- Staff exchanges between national and regional administrations (including candidate and neighbouring countries) to develop, improve and update staff competence in protecting the EU's financial interests;
- Developing comparative law studies and organising activities to raise awareness among the judiciary and other branches of the legal profession on protecting the EU's financial interests, including the dissemination of relevant scientific knowledge through periodical publications.

Source: ICF analysis.

Activities covered under technical assistance grants were divided as follows[296]:

- **Activities covered under technical assistance grants**

  - Purchasing and maintaining investigation and surveillance tools and methods used in the fight against irregularities, fraud and corruption perpetrated against the financial interests of the EU, including specialised training needed to operate the investigation tools;
  - Purchasing digital forensics hardware, including equipment and software, mobile forensic tools and computer forensic collaborative systems used in the fight against (fraudulent) irregularities, fraud, and corruption detrimental to the EU's financial interests;
  - Purchasing data analytics technologies and data, including the acquisition and maintenance of: (i) commercial specialised databases; (ii) data analysis platforms capable of running analyses in Big Data environments, risk and predictive analyses, and data-mining tools; and (iii) systems supported by AI used in the fight against irregularities, fraudulent activities, and corruption detrimental to the EU's financial interests;
  - Purchasing equipment for the detection of illicit trade to strengthen beneficiaries' operational and technical capacity to detect smuggled and counterfeited goods, including cigarettes and tobacco, imported into the EU with the intention of evading VAT, customs duties and/or excise taxes.

Source: ICF analysis.

One year after each grant's closing date, beneficiaries of technical assistance grants are requested to submit final implementation questionnaires designed to reflect the UAFP's activities' contribution to achieving the specific objectives.

[296] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2022, C(2021) 5338, https://anti-fraud.ec.europa.eu/document/download/7824f63f-724b-486a-b7b9-d8880e4d5456_en?filename=uafp_work_programme_2022_annex_en.pdf. Annual work programmes for 2022, 2023, and 2024, https://anti-fraud.ec.europa.eu/policy/union-anti-fraud-programme-uafp/union-anti-fraud-programme-hercule-component_en.

The technical equipment purchased under the remaining technical assistance grants for the Hercule III programme, such as detection tools, enabled concrete achievements in the prevention of fraud, corruption and other activities affecting the Union's financial interests, contributing directly to the first objective of the UAFP.

OLAF reported that with these activities, beneficiaries managed to 'seize substantial amounts of smuggled cigarettes, counterfeit goods and tobacco products'[297]. National authorities reported that equipment to support investigations, such as communication equipment, cameras, IT tools and forensic software and hardware, facilitated the lawful gathering of evidence during operations to protect EU revenue, expenditure and assets. Both groups in the survey of applicants and beneficiaries agreed or strongly agreed that the goals and eligible activities of the call for proposals covered all of their operational needs related to the protection of EU financial interests[298].

The majority of beneficiaries surveyed stated that their intervention under the UAFP has contributed to 'an improvement of overall work related to prevention, detection and investigation of fraud and other illegal activities detrimental to the EU's financial interests'[299]. It is clear that training activities undertaken under UAFP support were highly successful, with 90% of training participants reporting them as very well suited to their needs[300].

The survey of applicants and beneficiaries suggested a high degree of relevance of UAFP activities with the specific objectives. All 14 respondents with unknown application statuses stated that '*it was clear to them how the call for proposals was effectively contributing to the objectives of the programme*'[301]. Of these, 13 agreed that '*the terms of the call for proposals provided clear guidance to ensure proposals would effectively contribute to the objectives of the programme*'[302].

Beneficiaries agreed or strongly agreed (14) that the eligible activities under the call for proposals were clearly relevant to the UAFP's specific objectives. Respondents with unknown application statuses (13) also agreed or strongly agreed that the eligible activities under the call for proposals were clearly relevant to achieve the specific objectives of the programme[303].

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297 Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2022, C(2021) 5338, https://anti-fraud.ec.europa.eu/document/download/7824f63f-724b-486a-b7b9-d8880e4d5456_en?filename=uafp_work_programme_2022_annex_en.pdf. Annual work programmes for 2022, 2023, and 2024, https://anti-fraud.ec.europa.eu/policy/union-anti-fraud-programme-uafp/union-anti-fraud-programme-hercule-component_en.

298 Survey of applicants and beneficiaries, Q13: 14 of 14 'I don't know' respondents agreed or strongly agreed; Q7: 14 of 15 'Yes' respondents agreed or strongly agreed.

299 Survey of applicants and beneficiaries, Q9: 'Yes' respondents.

300 PIF Report 2022.

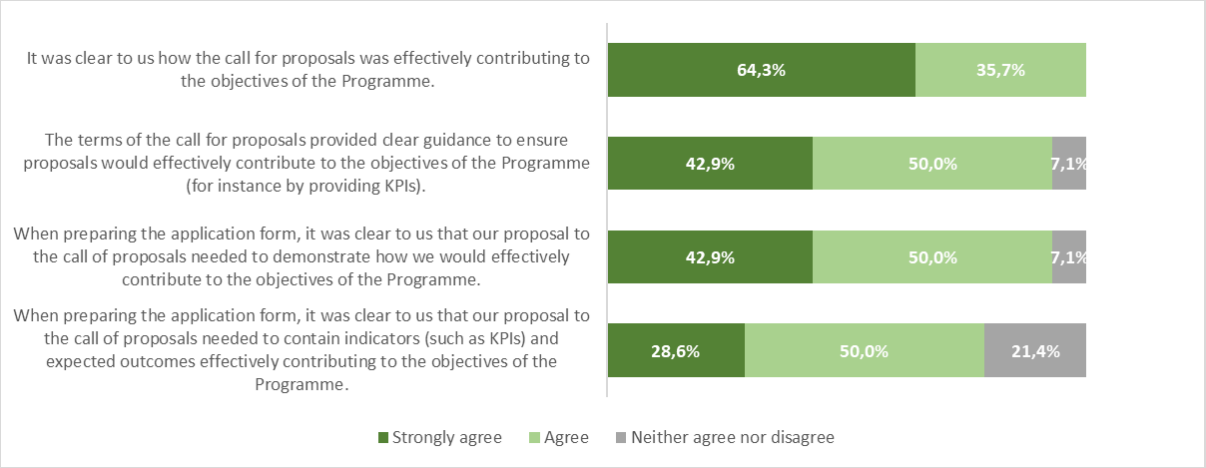
301 Survey of applicants and beneficiaries, Q14: 'I don't know' respondents.

302 Survey of applicants and beneficiaries, Q14: 'I don't know' respondents.

303 Survey of applicants and beneficiaries, Q13: 'I don't know' respondents; Q7: 'Yes' respondents.

The case study on training found that 'the scope and activities of the reviewed projects were to a great extent relevant to achieving the objectives of the programme'[304].

Figure 15 - To what extent do you agree with the following statements:



Source: OLAF survey of applicants/beneficiaries (N=29).

The evidence from the interviews corroborates this view: four interviewees stated that the activities under the UAFP are relevant to their needs and to the specific objectives, while two stated that they are highly relevant.

3.4.4.2 AFIS component

A number of tools for information exchange were released through AFIS since 2021. These include: the MAS, an application to automate the manual collection and processing of data and gather all mutual assistance-related files in a central place[305]; two major upgrades of the CSM directory and a new module for CIS+ to (also) support the new Cash Control Regulation[306].

The example of CIS+ demonstrates the relevance of the information exchange activities under AFIS to its specific objective. In mid-2022, the system counted more than 2 200 users and contained data on 31 500 cash declarations and 1 800 infringements of the UAFP Regulation[307]. An even higher number of activities were dedicated to enabling information exchange, including 70 application releases.

[304] The training activities in the projects reviewed promoted all three specific objectives of the UAFP, i.e. they improved the capacity of competent authorities to prevent and combat fraud and corruption, enhanced information exchange and mutual assistance, and supported the identification and reporting of irregularities affecting the EU financial interests.

[305] MAS was the highest-rated AFIS application for functionality, at 94% satisfaction.

[306] Regulation (EU) 2018/1672 of the European Parliament and of the Council of 23 October 2018 on controls on cash entering or leaving the Union and repealing Regulation (EC) No 1889/2005, OJ L 284, 12.11.2018, pp. 6-21.

[307] PIF Report 2022.

3.4.4.3 IMS component

The IMS has been generally well received and is clearly relevant to the third specific objective of 'supporting the reporting of irregularities, including fraud, found with the shared management funds and pre-accession assistance funds of the Union budget'.

3.5 EU added value

EU added value assesses the potential change for beneficiaries or citizens as a result of the EU intervention and measures the impact above and beyond reasonably expected results of national actions alone. The section first addresses the current availability of data and identifies existing limitations to determining added value.

It then assesses the EU added value of the UAFP, considering first the extent to which the results delivered would have been feasible without intervention, and second by identifying the extent to which the UAFP enabled more efficient use of financial resources than intervention at Member State level alone.

The assessment is based on a thorough review of available reports and literature on the UAFP, targeted surveys of Hercule component beneficiaries and applicants, targeted surveys of AFIS users, and interviews with key stakeholders.

The data reflect that, overall, the **UAFP programme performed well against the baseline indicators on EU added value**.

3.5.1 Main conclusions: EU added value of the UAFP

- Recipients of funding under the **Hercule** component indicated a very high level of perceived satisfaction and confirmed that the same level of intervention would not have been possible at national level. Respondents to the targeted surveys and interviews all confirmed this finding. The baseline for this indicator is based on the survey of 99 beneficiaries surveyed for the final evaluation of the Hercule III programme, 70% of whom disagreed that the same results would be possible at national level alone[308]. The majority (53.9%) surveyed here disagreed or strongly disagreed that the same intervention would be possible with national funding[309]. Although this proportion has fallen, it does not necessarily reflect negatively on the UAFP: No survey respondent agreed that their project could be completed at a national level; and many of the projects begun under the UAFP have yet to be finalised. Interviewees, including both beneficiaries and applicants, agreed that their proposed project could not have been completed if funded solely at national or regional level. Only three interviewees, including two case study respondents, stated that the project would have been possible at national level[310], although not at the same scale or with the same quality of results[311].

[308] European Commission: European Anti-Fraud Office, Landes, F., Aparicio Jodar, L., Riccardi, M., Colaiacomo, E. et al., *Final evaluation of the Hercule III programme – Final report*, Publications Office, 2021, https://data.europa.eu/doi/10.2784/62582.

[309] Survey of applicants and beneficiaries.

[310] Interviews with beneficiaries.

- **AFIS**: Data under UAFP indicate a steady increase in the availability of mutual assistance information and it regularly meets the yearly targets. The number of instances in which this information was available at the beginning of 2021 was 19 125[312], growing to 19 212 by the end of the year, slightly below the target of 19 500[313]. By the end of 2022, however, it had risen to 26 367 (target of 21 500) and by the end of 2023, it was 29 419 (surpassing the target of 24 000)[314]. The overall target was set as 24 000 instances of information available by 2024, which was already greatly exceeded by the end of 2023[315].
- **IMS**: Data reflect generally high satisfaction with IMS. Survey data from 2023 indicate that approximately 91% of respondents are satisfied overall with the IMS tool[316].

Source: ICF analysis.

Has the programme allowed delivering results that could not, or to a lesser extent, be achieved by interventions undertaken only at national or regional level?

Data indicate that the UAFP allowed Member States to achieve results in the fight against fraud that would not have been possible through interventions at national and regional level alone. Crucially, they reflect that not only has the scope of interventions been greater due to EU-level support, but in many cases the intervention would not have been possible at all.

Many key IT programmes and investigative tools would not have been made available to Member States without EU-level support for such access.

3.5.1.1 Hercule component

The survey responses, interview results and initial final reports indicate that the UAFP has provided a clear benefit to Member States, enabling them to achieve results in the fight against fraud that would not be feasible or would be less effective without EU intervention. The interview responses highlighted that, according to programme participants, the UAFP funding fulfils a critical role, without which many important interventions would not be possible.

The survey asked successful applicants whether, in their opinion, project results could have been achieved without EU level support[317]. Of 13 respondents, a majority either disagreed or strongly disagreed that project results would be possible without EU intervention, none believed that project results could have been achieved through action at national or regional level alone, and the remainder responded neutrally, did not know, or felt the question did not apply to them.

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311 Interviews with beneficiaries.

312 AFIS Steering Committee Meeting Presentation, 2021.

313 AFIS Steering Committee Meeting Presentation, 2021.

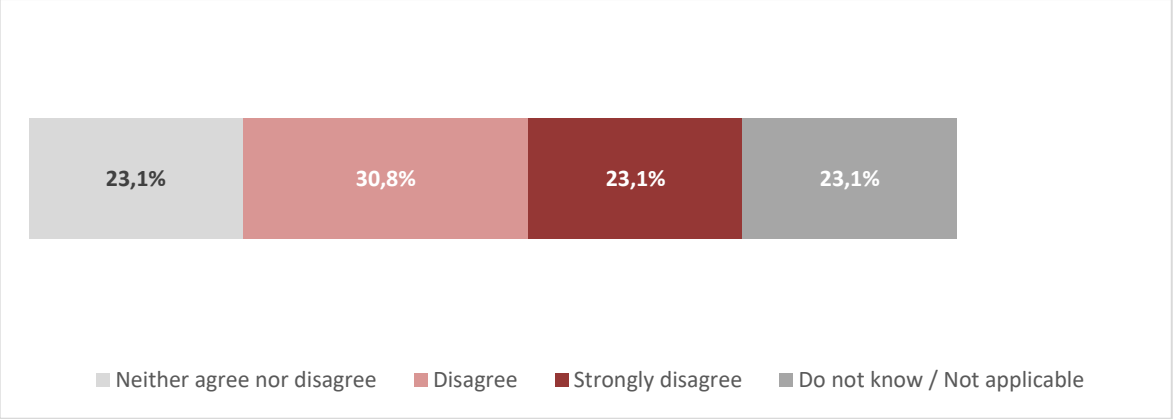
314 AFIS Steering Committee Meeting Presentation, 2022; AFIS Steering Committee Meeting Presentation, 2023.

315 AFIS Steering Committee Meeting Presentation, 2022; AFIS Steering Committee Meeting Presentation, 2023.

316 AFIS satisfaction survey 2023.

317 Of 29 total respondents, the 15 successful applicants received this question, 13 of whom responded.

Figure 16 - To what extent do you agree that the results achieved thanks to UAFP support could be achieved through other means at national or regional level?



Source: OLAF survey of applicants/beneficiaries (N=29).

Final results from many projects funded under the Hercule component of UAFP (2021, 2022, 2023) are not yet available, as the projects are ongoing or the implementation reporting is pending (due 12 months after the end of the project).

However, ongoing projects from Hercule III are monitored under the UAFP and were completed in 2022. Although begun under the preceding programme, these projects were finalised under the UAFP and point to the EU added value of the Hercule component.

Feedback on training activities funded under Hercule III but conducted during 2022 were overwhelmingly positive, with 90% of participants rating them as excellent or good[318].

Additionally, feedback from projects completed in 2022 identified EU added value in indicative programme gains and qualitative feedback from participants. The 2022 Commission PIF report credits the seizure of substantial quantities of smuggled and counterfeit goods to activities supported via the UAFP.

For example, Slovenia was supported to purchase an X-ray scanner for its maritime cargo port. This scanner was deployed in two international investigations, resulting in the seizure of illicit goods including 584 kilogrammes (kg) of cocaine, 216 kg of heroin, 1 655 kg of smuggled commercial goods, and 570 tonnes of goods infringing intellectual property.

Participants in the calls for proposals for technical assistance projects generally agreed that the project activities either could not be completed without UAFP assistance or could not be completed with the same scope and effectiveness. They highlighted, for example, that the UAFP enables them to purchase highly specialised, advanced equipment, whereas national assistance typically only provides for basic equipment[319]. In addition, national funding generally does not prioritise projects with the scale and specialisation that UAFP funding enables them to achieve.

[318] PIF Report 2022.

[319] Interviews with beneficiaries.

A small number of respondents who received funding for technical assistance projects stated that their project would have been possible at national level. However, they all indicated that the intervention was more efficient and effective with UAFP support.

Participants in the calls for proposals for training activities similarly agreed that the project activities could not be completed with support from national level alone. Many had received or applied for funding for conferences and seminars in conjunction with research on topics relevant to the protection of EU financial interests, an area for which EU-level funding is absolutely necessary. Several respondents highlighted that funding at national level often and increasingly focuses on national issues. One stated that, 'There is no way this research would be funded at the national or regional level. The only possible way to fund this kind of project is at the EU level.

3.5.1.2 AFIS

The EU added value of the AFIS component is its presence and functionality as a unique platform allowing communication and cross-border collaboration across the EU. The results achieved by AFIS are solely achievable through this programme component, as the core function would not otherwise exist.

The functionality of AFIS continued to expand, with eight platform releases for AFIS in 2021 and 13 in 2022[320]. Overall, AFIS had more than 70 releases in 2022, including component releases and hotfixes[321]. During the first half of 2023 (until 3 July), AFIS expanded further, with six platform releases (bundles) and 61 releases of individual components[322]. These developments contributed to additional functionality of the platform and thus to the UAFP.

As an example of these releases' contribution to EU added value, the successful release of CIS+ in 2021 brought a KPI for the UAFP (number of information items on mutual assistance made available) back on track to meet its target (having lagged in previous years[323]). Over the course of the UAFP, AFIS reached and exceeded the target for this indicator. By the end of 2022, this number had risen to 26 367 (target of 21 500) and by the end of 2023, it was 29 419 (target of 24 000)[324]. The overall target for this indicator was set at 24 000 instances of information available by 2024, a target greatly exceeded by the end of 2023.

AFIS also demonstrated EU added value by supporting 10 JCOs in 2022. It continued to release multiple additional components across several platforms and saw increased

[320] European Commission, Annual overview with information on the results of the Union anti-fraud programme in 2022, SWD(2023) 276, https://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX%3A52023SC0276.

[321] AFIS Steering Committee Meeting Presentation, 2022.

[322] AFIS Steering Committee Meeting Presentation, 2023.

[323] European Commission, Annual overview with information on the results of the Union anti-fraud programme in 2022, SWD(2023) 276, 2023, https://eur-lex.europa.eu/legal-content/LT/TXT/?uri=CELEX%3A52023SC0276.

[324] AFIS Steering Committee Meeting Presentations (2022 & 2023).

usership of functions such as CIS+ in the first half of 2023. Reporting from AFIS indicates steady increases in usage statistics for multiple components of AFIS each year from 2021[325], indicating widespread and growing use of this unique programme[326].

Results of the surveys of AFIS users, however, returned mixed results on the EU added value of the IT platform overall. Respondents were asked whether, in the absence of AFIS, they could perform their duties using a similar existing national system. Of 1 320 respondents, 37% either slightly disagreed (13%) or disagreed (24%), and only slightly fewer agreed (20%) or slightly agreed (13%) that they could perform their job duties in the absence of AFIS. A large number of respondents (30%) did not have an opinion[327].

These survey results alone are inconclusive on the EU added value of AFIS. However, AFIS provides a range of unique functions for cross-border cooperation that might not be fully realised at national level, leading more respondents to affirm the EU added value of AFIS than otherwise.

Overall, the continued development of AFIS functionality and its growing usage rates indicate that AFIS has EU added value. Many interview respondents stated that they could not complete their job duties with national resources, although others noted that their national systems would allow them to complete their duties, even in the absence of AFIS.

3.5.1.3 IMS

The IMS contributes to EU added value by facilitating EU-level coordination. It is the only system of its kind that enables the collection and distribution of data on irregularities across the EU, thus in its absence, these data would not be available in a single system for the entire EU. For some Member States, IMS is the only system available to record and share data on irregularities at regional or national level. Crucially, the data collected through the IMS provides a unique resource for tracking and understanding the scale and impact of fraud, e.g. it forms the basis for analysing and presenting fraud in the PIF reports.

As such, the IMS is central to understanding fraud in the EU and informing programme decisions. Feedback on the system in 2022 indicates a high level of satisfaction among surveyed users, at 82%[328]. Overall satisfaction remains high, at approximately 91% in the 2023 survey[329]. Although the function of the IMS represents a valuable tool, some problems in relation to data entry, low awareness, and low usage rates were identified. These implementation **challenges** reflect issues in training and guidance rather than technical limitations of the tool itself.

3.5.2 Does the intervention at EU level provide added value in terms of the efficient use of financial resources as compared to a possible intervention at national level?

[325] AFIS Steering Committee Meeting Presentation, 2021-2023.
[326] AFIS Steering Committee Meeting Presentation, 2023.
[327] AFIS satisfaction survey 2023.
[328] PIF Report 2022.
[329] AFIS satisfaction survey 2023.

The data collection returned relatively few responses on financial efficiency specifically. However, many interview respondents indicated that similar interventions are not available at national level, preventing a direct comparison of relative financial efficiency. The data available suggest that the UAFP generally provides EU added value through the efficient use of financial resources.

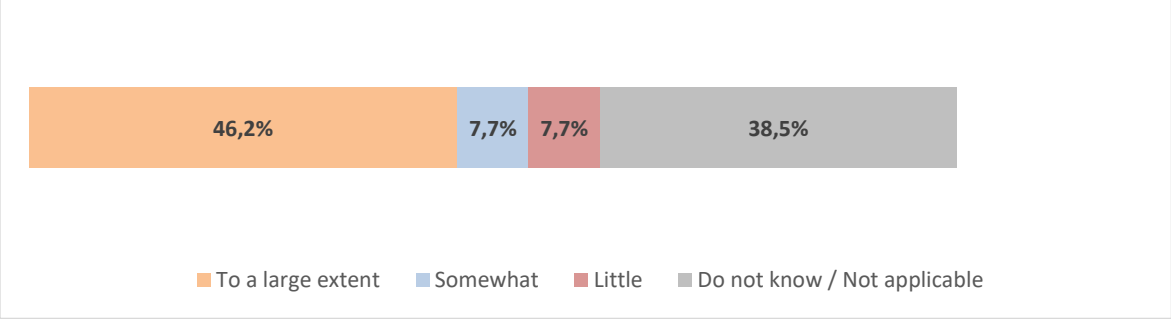
Benefits to the scope and process of the UAFP delivery and the flexibility in funding indicate EU added value of the programme.

3.5.2.1 Hercule component

Survey results indicate that, overall, funding under the UAFP has contributed to the scope of intervention and process of delivery. Most respondents indicated a large benefit (46.2%) or at least some benefit (7.7%) to the scope of intervention.

Several respondents did not know the overall benefit or noted that the question did not apply (38.5%). Respondents from Spain and Croatia indicated a significant contribution, with the respondent from Spain stating that the contribution of EU funds has resulted in a significantly increased capacity to fight fraud and smuggling due to new technical equipment and associated training of end users, and the respondent from Croatia indicating that the relevant project implementation would not have been possible at all without EU intervention.

Figure 17 - To what extent there have been any benefits in terms of volume and scope of the intervention and the process of its delivery owing to the fact that it was funded at EU level?



Source: OLAF survey of applicants/beneficiaries (N=29).

Interviewees were asked whether the UAFP programme provided EU added value in terms of the efficient use of financial resources. Very few provided feedback, with most referring to the lack of comparable alternative funding at national and regional level or even through other EU-level programmes. These responses indicate that, often, no alternative programme exists with which respondents can compare relative efficiency.

The few respondents of technical assistance funding who indicated that their project would be possible at national level also stated that the project was more efficient because of UAFP support[330]. They noted that UAFP support either allowed them to purchase

[330] Interviews with beneficiaries.

equipment faster and in greater volumes, or ensured that the procurement process itself was quicker and more efficient[331]. These responses indicate that even where alternative funding is available at national level, the UAFP provides substantial EU added value by ensuring a more efficient and effective process.

3.5.2.2 AFIS and IMS

The AFIS and IMS components are unique platforms that enable coordination across the EU. The core functions of these tools are only available to Member States and associated beneficiaries because they exist at EU level. Without these programme strands, Member States could still develop and maintain their own national versions of these platforms, but only at considerable expense, particularly to guarantee a functional link between these individual programmes.

3.5.2.3 Programme synergies

A key intended benefit of the UAFP in bringing together previously separate antifraud activities (Hercule, IMS and AFIS) is the potential for flexibility in the allocation of funding between the programme components and in the financial management of the programme. The budget flexibility enables transfer of funds easily from one programme component to another, or within each component, where required, representing a useful coordination between the components of the UAFP[332]. While current data do not show substantial transfers of funds between programme components, the 2022 PIF report highlighted that this budget flexibility enabled funds initially earmarked for anti-fraud training to be allocated to technical assistance activities[333].

3.5.2.4 Contributions to sustainable development goals and additional or unexpected benefits

The UAFP provides additional benefits, in part through its contribution to meeting key sustainable development goals (SDGs). More specifically, financial support from the EU through the technical assistance grants contributes to the SDG (No 16) of reducing inequalities within and among countries. The technical assistance grants indirectly help to harmonise the financial resources available to Member States by bolstering the budgetary capacity of national administrations[334]. The UAFP also indirectly helps to build effective, accountable and inclusive institutions through support of law enforcement agencies. This support is particularly evident through grants dedicated to supporting enhanced digital transition[335] (SDG No 10).

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[331] Interviews with beneficiaries.

[332] PIF Report 2022.

[333] PIF Report 2022.

[334] European Commission, Anti-Fraud – Performance, Union Anti-Fraud Programme: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

[335] European Commission, Anti-Fraud – Performance, Union Anti-Fraud Programme: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/anti-fraud-performance_en.

Many respondents highlighted additional benefits beyond the scope and efficiency benefits already referenced. One beneficiary of technical assistance stated that the UAFP was vital to ensuring that its office could stay up-to-date. IT develops very fast and is adopted very quickly by organised criminal groups and UAFP funding is a vital resource to keep pace with these developments[336].

Two beneficiaries of training activities reported that OLAF's participation boosts interest and incentivises participation in training and conferences, as OLAF funding gives substantial credibility to the training activities and results in more participants[337].

Finally, one applicant for training activities stated that funding at EU level provides an additional layer of EU added value to the review process. At national level, there is a much smaller circle of professionals, creating difficulties for neutral review of proposals. By contrast, EU funding ensures a neutral review process[338].

[336] Interviews with beneficiaries.

[337] Interviews with beneficiaries.

[338] Interviews with beneficiaries.

ANNEX IV. OVERVIEW OF BENEFITS AND COSTS - SIMPLIFICATION AND BURDEN REDUCTION

Table 1: Schematic overview of the benefits and costs identified in the evaluation

The full details of this overview can be found in Annex 4 of the study report[339] by ICF.

		DG OLAF		MS Administrations	
		Quantitative (in EUR)	Comment	Quantitative (in EUR)	Comment
Hercule Component Costs					
Grants to MS administrations (Direct compliance cost)	Recurrent cost	22,135,527	n/a	n/a	n/a
Procurement of goods and services (for use by MS administrations) (Direct compliance cost)	Recurrent cost	7,557,981	n/a	n/a	n/a
Administrative burden associated with implementing technical assistance and training sessions (e.g., processing applications, disbursing grants, conducting procurement, monitoring) (Direct compliance cost)	Recurrent cost	Not available	Primarily labour costs. Data on labour time / expense not available for interim evaluation.	n/a	n/a
Administrative burden associated with applying to and reporting on received technical assistance and training sessions (Indirect cost – given MS administrations choose whether to	Recurrent cost	n/a	n/a	Not available	Primarily labour costs, although time / expense not quantifiable with available data.

[339] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

apply)					
Hercule Component Benefits					
Improved capacity of MS administrations to combat and prevent fraud as a result of technical assistance and training sessions funded under Hercule component (which enable new equipment purchases; improved data collection, analysis and sharing capabilities; improved knowledge and skills; and wider implementation of best practices) (Direct benefit)	Recurrent benefit	n/a	n/a	Not available.	Could be quantified as total monetary value of additional fraud prevented, but insufficient data currently available for estimation.
Reduced budgetary and economic losses resulting from fraud (Indirect benefit)	Recurrent benefit	n/a	n/a	Not available	Could be quantified as total additional prevented budgetary and economic losses, but insufficient data currently available for estimation.
Improved capacity of MS administrations to combat and prevent fraud as a result of technical assistance and training sessions funded under Hercule component (which enable new equipment purchases; improved data collection, analysis and sharing capabilities; improved knowledge and skills; and wider implementation of best	Recurrent benefit	n/a	n/a	Not available.	Could be quantified as total monetary value of additional fraud prevented, but insufficient data currently available for estimation.

practices) (Direct benefit)					
Reduced budgetary and economic losses resulting from fraud (Indirect benefit)	Recurrent benefit	n/a	n/a	Not available	Could be quantified as total additional prevented budgetary and economic losses, but insufficient data currently available for estimation.
Improved capacity of MS administrations to combat and prevent fraud as a result of technical assistance and training sessions funded under Hercule component (which enable new equipment purchases; improved data collection, analysis and sharing capabilities; improved knowledge and skills; and wider implementation of best practices) (Direct benefit)	Recurrent benefit	n/a	n/a	Not available.	Could be quantified as total monetary value of additional fraud prevented, but insufficient data currently available for estimation.
AFIS Component Costs					
IT studies, development, and maintenance (Indirect cost)	Recurrent cost	7,811,167	n/a	n/a	n/a
Production services (Indirect cost)	Recurrent cost	3,499,788	n/a	n/a	n/a
Technical assistance, training, coordination, and quality-control services (Indirect cost)	Recurrent cost	426,032	n/a	n/a	n/a
Acquisition, maintenance and updating of software	Recurrent cost	2,215,745	n/a	n/a	n/a

and hardware, and related IT services (Indirect cost)					
Funds co-delegated to the Directorate-General for Taxation and Customs Union (DG TAXUD) (Indirect cost)	Recurrent cost	491,525	n/a	n/a	n/a
Contingency (Indirect cost)	One-off cost	1,528,896	n/a	n/a	n/a
AFIS Component Benefits					
Improved capacity of administrations to combat and prevent fraud as a result of improved information sharing and mutual assistance (Direct benefit)	Recurrent benefit	n/a	n/a	Full quantification of benefit not available. However, it has been identified that:	Improved capacity of administrations to combat and prevent fraud as a result of improved information sharing and mutual assistance (Direct benefit)
Reduced budgetary and economic losses resulting from fraud (Indirect benefit)	Recurrent benefit	n/a	n/a	Not available	Could be quantified as total additional prevented budgetary and economic losses, but insufficient data currently available for estimation.
IMS Component Costs					
Development, maintenance, training, and support (Indirect cost)	Recurrent cost	1,589,230	n/a	n/a	n/a
Contingency (Indirect cost)	One-off cost	26,980	n/a	n/a	n/a
Reduced costs for MS administrations in fulfilling irregularity reporting requirements to the Commission as a	Recurrent benefit	n/a	n/a	n/a	Could be quantified as total reporting cost savings, but insufficient data

result of standardised and simplified reporting system (Direct benefit)					currently available for estimation.
Reduced costs for the Commission in managing irregularities data reported by MS administrations as a result of standardised, consolidated reporting system (Direct benefit)	Recurrent benefit	Not available	Could be quantified as total data management cost savings, but insufficient data currently available for estimation.	n/a	n/a
Improved capacity of administrations to combat and prevent fraud as a result of searchable database of irregularities reported across countries reporting to the IMS (Direct benefit)	Recurrent benefit	n/a	n/a		

Source: ICF analysis

1. Hercule component

This section identifies the main costs and benefits associated with the Hercule component of the UAFP and compares these costs and benefits. See also Chapter 5.2 of the Study report by ICF on 'efficiency'.

1.1. Cost items

Over two thirds of UAFP spending under the Hercule component during 2021 and 2022 was on grants, with EUR 20.3 million being spent on technical assistance grants and EUR 1.88 million being spent on anti-fraud training grants. Of the EUR 7.44 million which was spent on procurement, the largest item (EUR 3.21 million) was the digital forensics and analyst training ('DFAT').

Table 2: Technical assistance and training spending (EUR)[340] [341]

Item / Year	2021	2022	Total

[340] PIF Report 2021.
[341] PIF Report 2022.

Item / Year		2021	2022	Total
Grants	**Technical assistance grants**	10,678,299	9,578,008	20,256,307
	Anti-fraud training grants	802,285	1,076,935	1,879,220
Procurement	**IT databases**	707,360	707,360	1,414,720
	IT tools and tobacco analysis	717,961	733,673	1,451,634
	Procured conferences	144,715	1,165,845	1,310,560
	Digital forensics and analyst training	1,414,000	1,799,543	3,213,543
	FCTC	53,628	0	53,628
	Total	14,518,248	15,175,260	29,693,508

The spending figures provided above for grants describe the amounts in euro, disbursed by the UAFP to beneficiaries. However, these figures do not capture additional administrative costs that arise for beneficiaries and for the programme (managers, OLAF). Administrative costs for beneficiaries include costs related to applying for grants and to monitoring and reporting on funded projects, while administrative costs for the programme include costs related to setting up annual work programmes; publishing and disseminating calls for proposals; and evaluating/selecting successful project proposals.

Considering beneficiary-side administrative costs, it is difficult to quantity the typical time and human resources needed to apply for Hercule funding, as these varied greatly between applicant organizations, from a few days (minimum three days) to several weeks (up to three months)[342]. Although found to be efficient overall (as discussed further on), the application appears to represent a significant undertaking for some applicants, with several of those interviewed noting that the application file is long and requires many boxes to be filled out.

The degree of variation in time taken to complete the application may be explained by several factors. These include the groundwork that different applicants may have done before the call, such as reaching out to consortium partners and providers, and their

[342] Interviews with beneficiaries.

familiarity with the application process. Several interviewed applicants also noted that the application is less time-consuming to complete when one has prior experience of filing an application[343].

1.2. Benefits

In 2021-2022, 66 grants were distributed under the UAFP's Hercule component3.2.4. Seven of these grants were scheduled to end before October 2023 [344]. As discussed in relation to the effectiveness criterion, thus far, the grants have greatly increased the organisational capabilities of the recipients in a range of areas. Recipient national authorities are resultantly better placed to combat fraud and reduce budgetary and economic losses resulting from fraud.

UAFP funding has helped national authorities with:

- **Equipment purchases**: the UAFP has enabled organisations to acquire modern tools with higher technical standards than those, which their other (national / own) funding may have allowed. The purchase of new state-of-the art equipment has contributed to the quality of forensic services, improving national authorities' ability to detect fraud and prevent losses.
- **Data collection, analysis and sharing**: the UAFP has funded projects that make use of information systems that are able to collect, automate and process large volumes of data. This data contributes to investigations, increasing the likelihood of success at detecting and deterring fraud.
- **Training**: UAFP training has helped national authorities upgrade their knowledge and practical skills. Authorities can apply new knowledge and skills to combat fraud more effectively, eventually reducing the impact of fraud on public funds.
- **Networking, exchanges and good practices:** participants in training and other events, such as study visits and conferences, have developed a better understanding of how colleagues in other jurisdictions tackle corruption, fraud and collaborate with EU agencies and authorities. This facilitates the implementation of best practices for preventing fraud across the EU, leading to more effective national efforts against fraud.
- **Investigations**: the funded projects improve the sharing of data between national and European authorities, and between relevant national authorities, including tax and police authorities. New equipment; data analysis capacity; and knowledge and skills may also make investigations, better quality, less resource intensive, and more likely to succeed, ultimately reducing the damaging impacts of fraud on public funds and the economy.

[343] Interviews with beneficiaries.

[344] Key evaluation documents such as final technical reports and final implementation reports for these grants are not yet available for most projects.

However, when asked about the extent to which their activities under the UAFP grant had contributed to cross-border cooperation, surveyed recipients provided mixed views. For each of several types of cross-border cooperation, a **minority** of respondents reported that their activities under the UAFP grant had contributed "to a large extent" or "to a great extent".

These responses suggest that **UAFP-funded interventions contribute to organisations' capacities to fulfil their individual mandates but have lesser benefits in terms of improving EU-wide coordination and structures**. These results, however, speak only to the perceptions of a **limited sample of applicants at an interim stage** of the implementation of their grant projects. A more thorough understanding of the benefits of different projects will only be possible once these have been completed and data reported to illustrate their outcomes. It should be noted that the survey results do not cover the full population of funded entities. Additionally, projects also receive funding that does not stem from the UAFP (the 'national part', minimum 20% of overall project costs), considered as national co-funding. As such, the benefits might not be attributable to the UAFP only.

1.3. Comparison of costs and benefits

The UAFP-funded interventions under the Hercule component have contributed to the organisational, investigative, and technical capacities, among other capabilities of applicants. In the perception of grant recipients, UAFP grant costs are yielding benefits[345]. Applicants also do not view the administrative costs of applying for a grant as being particularly burdensome, indicating that **the benefits are likely to outweigh these costs**.

It should be noted though that six (out of 12 successful applicants) responded that the costs (on the applicant's side) related to the **implementation of the project** outweighed the benefits (at least a "little")[346]. In addition, the UAFP seems to have led to cost-savings, in different areas.

In the area of evidence gathering, for example, the funds disbursed have contributed to the acquisition of devices that allow to extract data already at the crime scene. Such evidence can be used later in criminal proceedings. The adoption of such devices lead to cost-savings compared to the previous situation; whereas previously, the investigative authorities had to seize devices and pay an expert fee in order to have the data extracted, the acquisition of a new device allows to already extract and save contents, which may be used as evidence without additional costs for subsequent expert involvement [347].

[345] Interviews with beneficiaries.
[346] Survey of applicants and beneficiaries, Question 15.4.
[347] Interviews with beneficiaries.

2. AFIS component – costs and benefits

This section identifies the main costs and benefits associated with the AFIS component of the UAFP and compares these costs and benefits. See also Chapter 5.2 of the Study report by ICF on 'efficiency'[348]

2.1. Cost items

The largest AFIS spending item across 2021 and 2022 was IT studies, development, and maintenance, on which EUR 7.81 million was spent (49% of total spending). This was followed by production services (EUR 3.50 million) and acquisition, maintenance and updating of software and hardware, and related IT services (EUR 2.22 million). These three items are also assigned the largest budget for 2023 (EUR 4.00 million, EUR 2.42 million, and EUR 1.15 million respectively).

Table 3: AFIS spending (EUR)[349] [350]

Item / Year	2021	2022	2023 (budgeted)	Total
IT studies, development, and maintenance	4,056,540	3,754,627	3,995,000	11,806,167
Production services	1,750,021	1,749,767	2,420,000	5,919,788
Technical assistance, training, coordination, and quality-control services	194,797	231,235	405,000	831,032
Acquisition, maintenance and updating of software and hardware, and related IT	1,246,975	968,770	1,150,856	3,366,601

[348] European Commission: European Anti-Fraud Office, Charitakis, S., Faion, M., Gounev, P., Vasileva, V. et al., Study in support of the Union Anti-Fraud Programme (UAFP) interim evaluation – Final study report, Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2784/1075235.

[349] PIF Report 2021.

[350] PIF Report 2022.

Item / Year	2021	2022	2023 (budgeted)	Total
services				
Funds co-delegated to the Directorate-General for Taxation and Customs Union (DG TAXUD)	252,279	239,246	257,032	748,557
Contingency	463,388	1,065,508	0	1,528,896
Total	7,964,000	8,009,153	8,227,888	24,201,041

Source: ICF analysis

The overall AFIS spending, in both 2021 and 2022, matched the budget allocation. In terms of time allocation (measured in person days), 'Application development' was the most resource intensive AFIS activity in 2021[351], 2022[352], and the first half of 2023[353] (5,325[354]; 6,168; and 3,197 person days respectively). In 2021, and in the first half of 2023, 'Technology Stack' was the next largest use of person days (1,957 and 732 person days respectively), but in 2022, the second largest use was for the 'Fraud Analytical Platform' (1,520 person days). The Fraud Analytical Platform was also the third largest use of person days in the first half of 2023 (533 person days).

2.2. Benefits

UAFP funding for AFIS yields identifiable benefits. AFIS is used by 9,000 registered end-users in countries within and outside of the EU[355]. Survey responses from AFIS users indicate that AFIS has a beneficial effect on the capacity of fraud authorities to carry out their duties. A majority of surveyed AFIS users do not agree with the statement: "in the absence of AFIS, I would be able to perform my duties using a similar existing national system". In the perception of users, AFIS effectively improves the quality of cooperation between law enforcement authorities and services in neighbouring

[351] European Commission (2022). Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2022, C(2022) 1139. https://antifraud.ec.europa.eu/document/download/7824f63f-724b-486a-b7b9-d8880e4d5456_en?filename=uafp_work_programme_2022_annex_en.pdf

[352] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2023, C(2023) 813, 25.2.2022.

[353] Ibid.

[354] Data for January to November 2021.

[355] Figures shared with ICF by OLAF.

countries[356]. In this way, AFIS can help national authorities to reduce the monetary value of losses to public funds and the economy resulting from fraud.

As an illustrative example, the 2021 PIF Report highlights the work of the AFIS CIS+ module in the context of the new 'Cash Control Regulation', which was implemented in 2021 – '*In December 2021, six months after going live, CIS+ had more than 2,200 users and contained data on 31,500 cash declarations and 1,800 infringements of the Regulation.'* [357]

In the first five months of 2023, CIS+ detected an average of 9,573 cash declarations with infringements per month. The 2022 PIF report highlights that AFIS supported ten joint customs operations that year. These data provide some indication of the benefits that AFIS, and UAFP funding for it, have in preventing and detecting fraud.

At a technical and operational level, UAFP funding enables AFIS to continue delivering benefits for users – i.e., to continue performing its function as a secure portal for national and EU administrations to exchange information about fraud. The UAFP allows AFIS to be improved, as well as maintained. UAFP funding was used to provide eight AFIS platform releases in 2021 (including CIS+, mentioned above) and 15 in 2022. In the first six months of 2023, AFIS delivered 61 minor releases across ten platforms[358]. UAFP funding also allows for support to be provided to AFIS users. Some 73% of surveyed AFIS users have contacted the AFIS IT Helpdesk in the past two years and the vast majority (over 90%) are satisfied with the support received.

2.3. Comparison of costs and benefits

The above-mentioned benefits provide indicative evidence that the funding provided by the UAFP for AFIS enables the provision and improvement of a useful tool for end-users. Certain modules within AFIS – in particular, the CIS – appear to be registering notable achievements in terms of detecting potential cases of fraud. AFIS satisfaction surveys show that the respondents are overall very satisfied with the new functionalities and mention that the speed of access improves the efficiency of operations[359].

3. IMS component – costs and benefits

This section identifies the main costs and benefits associated with the IMS component of the UAFP and compares these costs and benefits.

[356] Interviews with beneficiaries, Survey of applicants and beneficiaries and evidence from desk research converge in showing these benefits.
[357] Ibid.
[358] Commission Implementing Decision on the financing of the Union anti-fraud programme and the adoption of the work programme for 2023, C(2023) 813.
[359] AFIS satisfaction survey (2023).

3.1. Cost items

Thus far, 87% of spending on the IMS tool has gone towards development, maintenance, training, and support. IMS spending in both 2021 and 2022 has been within the budget allocation.

3.2. Benefits

UAFP funding enables the IMS to continue performing its function as an integrated irregularity reporting system used by around 3,230 end users in 34 countries within and outside of the EU[360]. The IMS allows national authorities to fulfil reporting obligations to the Commission in a standardised, simplified way. The absence of such a system would likely increase reporting costs for national authorities and the costs to the Commission of managing the collected data. Thus, the IMS facilitates the efforts of the EU and national authorities to use available fraud-prevention budgets as effectively as possible to prevent the damage done by fraud to public funds and the economy.

As discussed under the effectiveness criterion, the consulted IMS documentation identifies several features of the IMS which contribute to its perceived usefulness, including its uniqueness as a database where past and/or closed cases of irregularities can be searched (12,455 irregularities were reported to the IMS in 2022). To the extent that the IMS helps national and EU authorities to identify, understand, and eventually prevent irregularities, including fraud, the ongoing functionality of this tool can be considered a benefit of the UAFP, which merits its continued funding and development.

UAFP funding has also been used to facilitate improvements in the IMS. Four new features were developed and released in each of 2021 and 2022. In 2021, new feature developments improved: reporting of RRF irregularities; uploading irregularities directly from national databases; rights of IMS country officers; and uploading of reports by business owners[361]. The 2022 PIF Report describes new feature developments in that year as 'allowing business managers to manage code list values, [improving] the B2B services and [fixing] a number of identified issues[362].'

3.3. Comparison of costs and benefits

The consulted documentation on IMS offers indicative evidence that UAFP funding for the IMS represents an efficient use of resources, at least in the perception of users. However, without more detailed data, it is difficult to understand the effects of the IMS on the ultimate goals of protecting the EU's financial interests and facilitating cooperation between Member State administrations and to produce a complete cost-benefit analysis.

[360] Figures from IMS User Registration Tool data, shared with ICF by OLAF.
[361] PIF Report 2021.
[362] PIF Report 2022.

ANNEX V. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

1. Introduction and stakeholder consultation strategy

This Synopsis Report provides an overview of the results of the stakeholder consultation, carried out as part of the UAFP interim evaluation by the contractor ICF.

It accompanies the final report of the study done by ICF in 2023-2024 and can be read in conjunction with it. Section 1 presents the methodological approach adopted by the team to carry out the consultations during the first 10 months of the study (May 2023 – March 2024: stakeholders targeted and consulted, and mode of consultation used), while Section 2 summarises the responses and findings for each evaluation question and by mode of consultation.

2. Approach to the consultation

The table shown below provides an overview of the consultation activities that have taken place during the course of this study, up to the date of writing this report (17 May 2024). The stakeholders targeted by the study team are presented, as well as the modes of exchange with them and the number of interviews or responses obtained for each. Stakeholders were selected in order to obtain as comprehensive and representative a range of data and views as possible, and all these groups - at European, and national level were given the opportunity to share their views and experiences on the implementation of the UAFP. The consultation drew on a range of complementary methods, including online surveys and semi-structured interviews.

Table 1 - Consultation strategy activities and tools, by stakeholder group

Stakeholder Group	Consultation activities	Number of responses
Beneficiaries	Survey	15
Beneficiaries	Interviews	25
Applicants	Survey	14
Applicants	Interviews	3
AFIS users	Survey	1320 (which includes IMS users)
IMS users	Survey	314
Delegates of the Council Working Party on Combating Fraud (GAF)	Online survey	3
European Commission	Interviews	9

3. Online surveys

Three surveys were launched as part of the initial data collection, targeting:

- Beneficiaries of the UAFP's Hercule component (both technical assistance and training);
- Applicants of the UAFP's Hercule component (both applicants that do not know the results of their application and applicants that did not receive funding);
- GAF (*Groupe antifraude*) Delegates at the European Council;
- AFIS and IMS users.

The survey of beneficiaries and applicants of the (Hercule component) of the UAFP was launched in August 2023 and closed mid-October 2023 (after a two-week extension). The GAF survey was also launched in August 2023 and closed mid-October 2023. Lastly, the AFIS users' survey (which included users of IMS) was not launched by ICF, but by OLAF. ICF contributed to the questionnaire of this survey. ICF received the raw data results of the survey in February 2024. The surveys launched by ICF used the software Qualtrics. The overview of the respondents of the survey is presented below.

4. Overview of survey respondents

Table 2: Survey respondents: Group, Member State, received replies

Stakeholder Group	Member State	Number of responses
Beneficiaries and Applicants	DE, EL, ES, HR, HU, LT, LV, PL, PT, RO, SK	29
AFIS users	Not provided	1320 (including 314 IMS users)
GAF Delegates	DE, EE, IT	3

Source: ICF analysis

It should be noted that the GAF survey is not included in the summary, as the response rate was very low. The results of the scoping interviews are not presented, as they did not answer the research questions of the study.

5. Targeted interviews

Targeted interviews were conducted during three phases: during the inception phase, the interim phase and the final phase.

During the inception phase, nine scoping interviews were conducted with EU-level experts at the Commission (OLAF, DG JUST, HOME, and TAXUD) as well as with one beneficiary of the UAFP, and two scoping interviews with OLAF were completed in the interim phase.

The bulk of the 43 interviews were conducted by the study team, between late January 2024 and late February 2024 (final phase), with the following target groups:

- Beneficiaries of the Hercule component;
- Applicants of the Hercule component;
- Staff members of the European Institutions;
- Stakeholders from AFIS and IMS.

The study team developed pre-written questionnaires so as to ensure the comparability of the answers across stakeholder groups. Most of the interviews were conducted through video calls, while some stakeholders provided their answers in writing. The study team prepared write-ups of each interview, which were then collated and structured in matrixes by stakeholder type and question to allow for easy comparison.

In the final phase of the report, after assessing the information collected and the feedback from OLAF, the study team conducted a number of follow-up interviews with selected stakeholders in order to fill data gaps and to answer questions emerging as a result of the previous analysis.

It is crucial to acknowledge that despite the extensive number of interviews carried out, they were targeted in nature and reflect the perspectives and experiences of specific experts. Unlike surveys, these interviews were not designed to offer a comprehensive or representative overview but rather to complement and contribute to the data triangulation process.

6. Overview of interview participants

Table 3: Overview of stakeholder groups, Member State, number of replies

Stakeholder Group	Member State	Number of responses
Beneficiaries	DE, ES, FI, HR, HU, IT, LT, LV, LU, PL, RO	25
Applicants	NL, HU, PL	3
European Commission		9
IMS users	DE, EL, ES, PL, RO	6

Source: ICF analysis

Lastly, a Call for Evidence was launched by the European Commission between 22 March 2023 and 3 May 2023. Eight members of the public replied. Six respondents provided opinions outside of the scope of this evaluation. Only one respondent actually expressed a view on the topic of the interim evaluation of the UAFP.

They stated that the programme would benefit from this interim evaluation through corrective measures with regard to improving its efficiency.

7. Main stakeholder feedback per evaluation question

7.1. Effectiveness

7.1.1. Surveys

The 2023 AFIS satisfaction survey gathered feedback from 1320 direct users of the AFIS system including users of the IMS programme.

According to the **AFIS satisfaction survey**, the AFIS Helpdesk has effectively responded to the issues encountered by users. A **minority** of respondents has contacted the AFIS IT Helpdesk in the last two years[363]. The vast majority of these were satisfied with the availability of the Helpdesk[364], and more specifically with the quality of solution, speed of response, speed of resolution, communication and follow-up provided. Therefore, the AFIS IT Helpdesk has been effective in providing support to users.

The vast majority of AFIS functionalities satisfied the needs of users. This includes the AFIS Library, the AFIS Mail, the AMT, the ATIS, CIS +, CSM, FIDE, IET, MAS, ToSMA, URT, VOCU. For all these applications, only a **minority** of respondents expressed some level of dissatisfaction.

Most of the users are also satisfied with the IMS functionality and its performance[365].

The separate survey of beneficiaries and applicants (Hercule component) confirmed that the interventions funded by the UAFP have been perceived as effective, contributing to the general and specific objectives of the programme. More specifically, 77% agreed (to a great or to a large extent) that the interventions have contributed to the improvement of overall work related to prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial interests; 86% agreed the interventions have improved the investigative capacity; 69% agreed the interventions have improved the operational capacity; and 71% agreed that the technical capacity has been improved.

The contribution of the programme to transnational cooperation has been perceived as positive by 71% of respondents. The strongest impact was on cooperation among EU Member States (71%), while the impact on cooperation with non-EU countries was relatively limited (about 2/3 of respondents believed the programme had made little or no contribution to cooperation with non-EU countries)[366].

Among the beneficiaries of the Hercule component, 73% confirmed that the UAFP has contributed to multi-disciplinary cooperation (with 40% saying it contributed to a large extent, and 33%, it contributed somewhat to enhancing multi-disciplinary cooperation).

[363] AFIS satisfaction survey (2023), 27% have contacted the Helpdesk versus 73%.
[364] AFIS satisfaction survey (2023), 93% of respondents were satisfied with the Helpdesk service received.
[365] 95% of IMS users are satisfied with the system's performance.
[366] It should be noted that the applicants of the Hercule component of UAFP are encouraged to propose projects that involve non-EU countries.

The top main factors contributing to the effectiveness of the interventions, according to the respondents of the survey, are administrative capacity, internal procedures within the beneficiary's organization, and the amount of available funds and resources.

Among the positive factors, the amount of funds and resources and the administrative capacity were mentioned by most respondents of the applicants'/beneficiaries' survey (50% and 43% respectively). The clarification support provided by the European Commission was also mentioned as a positive factor by 43% of the beneficiaries.

The highest weight among the factors with negative impact respondents attributed to the lack of administrative capacity (mentioned by 36% of beneficiaries). Internal procedures in the beneficiary's organisation was mentioned by 29%, and the amount of funds and resources (or the lack of it) was mentioned by 21%.

7.1.2. Targeted interviews

In relation to the overall effectiveness of the UAFP, the majority of **beneficiaries** (18 out of 20 interviewees) of grants for training and technical assistance provided under UAFP confirmed that their projects have either improved their work linked to prevention, detection, and investigation of fraud and other illegal activities detrimental to the EU's financial interests or will be effective once completed. Only two beneficiaries stated it was too early to define the effectiveness of their projects.

Among those claiming benefits, some had recently completed their projects, while others were still implementing theirs but had already observed improvements. These improvements included increased opportunities for mutual assistance and cooperation, enhanced personnel knowledge and skills through training, and other exchanges such as conferences.

Examples of effective contributions include:

- Improved investigative and surveillance capabilities through the acquisition of state-of-the-art communication surveillance equipment and upgrading existing systems.
- Enhanced data quality and evidence collection, along with improved data exchange with partners from other Member States and EU agencies for cross-border investigations.
- Increased performance of investigative and law enforcement authorities through the acquisition of equipment and software enabling higher data processing volume and speed. This includes the use of artificial intelligence and digitalization for activities like evidence review, data classification, and identity verification.
- One beneficiary highlighted the importance of the programme's flexibility in allowing them to conduct research work, while another mentioned that the maximum term of 24 months for research projects, though improved from the previous limit of 18 months, was still insufficient.

Regarding transnational cooperation, more than half of the interviewed beneficiaries (12 out of 20) reported that their projects had strengthened the transnational cooperation. This was achieved directly through activities such as organizing international conferences, study visits, and expert training across multiple countries, or indirectly through improved data exchange with partners from other Member States, responsive investigation requests, and participation in joint initiatives and operations.

Furthermore, beneficiaries of technical assistance grants highlighted another avenue for enhancing transnational cooperation. During the procurement process, they conducted market research and engaged with counterparts in other Member States to gather insights on the equipment and software they planned to acquire, thereby gaining valuable knowledge through these interactions.

The beneficiaries emphasized enhanced cooperation among Member States as well as with EU institutions and agencies. Additionally, some mentioned cooperation with non-EU countries, such as Switzerland and Turkey, although one beneficiary expressed a desire to include Ukraine in project activities but faced limitations in doing so. However, most beneficiaries did not consider cooperation with non-EU countries as relevant to their projects.

In terms of multi-disciplinary cooperation, the overwhelming majority of beneficiaries interviewed (15 out of 20) emphasized that their projects have significantly enhanced multi-disciplinary cooperation. This collaborative effort under UAFP has brought together various experts, including law enforcement officers, prosecutors, tax and customs officials, software and hardware engineers, communication specialists, statisticians, economists, legal experts, project managers, and financial analysts.

One beneficiary highlighted that the multi-disciplinary approach is a key strength of the programme and advocated for its continuation, emphasizing the importance of having all stakeholders interested in combating fraud by collaborating closely. They expressed the sentiment that having everyone involved in fighting fraud in the same room fosters more effective outcomes.

With regard to the sustainability of results, the majority of beneficiaries claimed that the results of their projects would remain sustainable after the end of the intervention (17 out of 20 interviewees). For the beneficiaries of technical assistance, the sustainability of the acquired systems and equipment would be secured through regular maintenance, as national budgets are used to pay for the maintenance after the warranty period expires.

The beneficiaries of training and conferences pointed out that the networking opportunities, in particular those involving cross-border collaboration, would last beyond the duration of the respective projects.

Several IMS users interviewed during this evaluation study indicated that IMS is overall effective in that it provides a unique source of information on irregularities for the Commission enabling the Commission to obtain this data for analysis and dissemination through the annual PIF reports.

Many interviewed IMS users indicated that, from their perspective, their use of IMS does not necessarily enhance transnational cooperation as their own use is focused on a national level. However, as noted above, interviewed IMS users also highlighted that this data is aggregated from all Member States and used in the PIF reports.

Some of the IMS users interviewed identified limitations to the effectiveness of IMS overall including the design of the form itself. They indicated that the system uses a single form for input and that not all of the fields included in the form are considered relevant.

Commission staff working with IMS provided context through the interviews for certain limitations with the effectiveness of IMS including the declining satisfaction rates. The Commission identified that the IMS system is undergoing a major upgrade but that progress so far has not been visible to end users.

The Commission also identified that no major training since 2017. According to the interview, the current budget allocation is not sufficient to support major upgrades such as changes to the user interface, major training activities on IMS, or increased interoperability with other systems.

The Commission also identified that the scope of IMS would be expanded to include the West Balkans and Ukraine, which would necessitate additional financial and human resources for IMS.

Interview participants from AFIS highlighted the continued satisfaction of end users with the AFIS system as well as feedback received during the recent evaluation of Regulation 515/97 highlighting the importance of AFIS as a unique system providing an effective and secure channel of communication for customs antifraud purposes.

The interview highlighted in particular the benefit to mutual cooperation provided through AFIS between both Member States and non-EU countries. Several AFIS systems including AFIS mail as well as participation in Joint Customs Operations (JCOs) are open to participation from non-EU countries and that OLAF provides further support with the installation of dedicated IT systems (VOCU) and operational rooms (POCU). The interview highlighted that feedback from users indicates a very high level of satisfaction among end users for systems such as VOCU and that the JCOs are considered to be highly valuable by Member States.

The AFIS interview did highlight a few potential limitations to the effectiveness of AFIS including the range of data collected in the “container message status” (CMS) and “import, export, transit” (IET) directories, the issue of multiple reporting in the CIS system, and the lack of cases reported/engagement by all Member States with the FIDE system.

7.2. Efficiency

7.2.1. Surveys

According to the **survey of (Hercule component) beneficiaries and applicants**, overall, as a result of the UAFP, national organisational units with investigative authority have used more efficiently their resources to fight effectively serious crimes that harm the financial interests of the EU. While it is not possible to quantify the time spent on project application, based on the data available, it is however possible to conclude that the application process has significantly improved compared to the previous programme.

From the perspective of the **applicants**, assessing the time and human efforts involved in the application process is rather difficult, either because of lack of internal tracing, or because of great discrepancy in the amount of efforts of different organizations. Moreover, applicants were satisfied with the level of clarity and streamlining of the application process, as well as with the level of guidance received

Concerning the application process, the application procedure was also efficient in avoiding needless repetitions of the submitted information throughout the application process: most survey respondents stated that they were not asked to input the same information several times, which would have added unnecessary administrative and time-consuming steps. Survey respondents were satisfied with the instruction and guidance received for preparing their application.

The **AFIS satisfaction survey** provides little to no information on the cost-savings which resulted from the AFIS and IMS new functionalities, while it provided a wealth of information on the benefits for the programme effectiveness.

7.2.2. Targeted interviews

Regarding the application process, it is challenging to quantify the time and resources required. **Beneficiaries** reported that it ranged from several days (minimum 3 days) to several weeks (up to 3 months), encompassing conceptualization, proposal planning, and drafting. Organizations with prior groundwork and established partnerships spent less time on applications. Results regarding the comparison of application times between editions were mixed.

Targeted interviews provided a detailed overview of observable project benefits, although full assessment was **hindered** by project implementation status. Key areas relevant to OLAF's mandate include:

- Equipment Acquisition: Beneficiaries noted significant benefits from UAFP Hercule grants in acquiring advanced equipment, enhancing efficiency and forensic capabilities while supporting budgetary efficiency.
- Data Collection and Exchange: Grants improved fraud-related data collection, analysis, and exchange among organizations, enhancing overall effectiveness.

- Training: Hercule-funded training improved knowledge, technical skills, and cooperation among participants, enhancing efficiency.
- Relationship Building: Hercule component facilitated relationship building, best practice sharing, and information exchange among organizations.
- Investigations: Data exchange via AFIS and IMS platforms, equipment acquisition, and best practice sharing accelerated investigation processes.

However, stakeholders provided limited information on cost-savings from AFIS and IMS platforms, impacting cost-benefit analysis.

One of the IMS country officers interviewed indicated that systematic review of the IMS has helped improve the efficiency of preparing the annual PIF report. Many of the IMS country officers interviewed, however, responded that they either observed no issues with the efficiency in terms of funds available or were not best placed to respond.

The interview with AFIS business manager that, while overall they consider AFIS to be efficient, evolving technologies require increased budget allocation in order to ensure continued quality of services. The interview highlighted that developing analytical tools to explore data in order to protect and prevent customs fraud has been highlighted as a priority by users but would require additional funding to speed up this development. The interview further highlighted that the flexibility clause regarding the UAFP's budget could be used more proactively in order to reinforce the financial envelope especially when yearly allocations have not been spent.

7.3. Coherence

7.3.1. Surveys

Information on coherence was provided by stakeholders through the survey **for applicants – including beneficiaries**.

On internal coherence, the survey with applicants for funding, including beneficiaries, gathered information on the Hercule component. The results of the survey clearly indicated a significant level of coherence among the eligible activities under the call for proposals for the Hercule component, and coherence between the calls for technical assistance and the calls for training, conferences, staff exchanges and studies (as per the Figure below).

For external coherence, data from the survey with applicants for funding under the UAFP point to coherence (strongly agree around 35%; and agree: around 57%) between the calls for proposals (launched under the UAFP) and other EU anti-fraud instruments.

7.3.2. Targeted interviews

Regarding the coherence analysis, interviews were conducted with representatives from various **Directorates-General of the European Commission** and **beneficiaries** to evaluate both internal and external coherence of the UAFP.

For internal coherence among the three components (Hercule, AFIS, IMS), Commission officials reported positive aspects such as reduced administrative burden and improved coherence due to the new structure introduced by the UAFP Regulation. However, **challenges** include insufficient regular meetings among component managers and underdeveloped cooperation in funding determination, content preparation, and resource allocation.

Beneficiaries generally found the activities under the components complementary but suggested more synergies, coordination, and knowledge sharing.

Regarding external coherence with other EU legislation/programmes, interviews confirmed overall coherence. Efforts were made to ensure cooperation between OLAF and relevant Directorates-General to avoid duplications and increase synergies. However, greater coordination and synergies are recommended, particularly between OLAF and other relevant Directorates-General, to achieve a high-level overview of coherence status among programmes.

The highest risk of duplication was identified between UAFP and CCEI, which focus on similar beneficiaries but differ in scope and budget. To mitigate duplication, guidance is provided to distinguish potential duplication or overlap of funding between the two programmes.

Stakeholder suggestions included assessing the possibility of one overarching programme/fund addressing fraud and coordinating between Directorates-General to monitor fraud tendencies at EU and regional levels.

Regarding key EU horizontal objectives, UAFP was seen as potentially supporting digital transition through funding for new digital equipment and climate actions through support for energy-efficient equipment. However, concerns were raised regarding the actual implementation of projects in line with energy-efficient standards due to national procurement processes favouring the lowest bidder.

Overall, while the UAFP has made strides in coherence, there are opportunities for improvement in internal cooperation and coordination with other programmes to maximize effectiveness and address key objectives.

7.4. Relevance

7.4.1. Surveys

The majority of **beneficiaries** stated that the specific objective of the UAFP “to prevent and combat fraud, corruption and other illegal activities affecting the EU’s financial interests” was relevant to its general objective to protect the EU’s financial interests, with 46.7% agreeing with this statement and 46.7% strongly agreeing.

The majority of beneficiaries stated that the eligible activities under the call for proposals were clearly relevant to the specific objective of the programme, with 66.7% agreeing with this statement and 26.7% strongly agreeing. They also indicated that the goals and

eligible activities of the call for proposals were covering all their operational needs related to the protection of EU financial interests, with 86.7% agreeing with this statement and 6.7% strongly agreeing.

In addition, the majority **of applicants** pointed out that the specific objective of the UAFP "to prevent and combat fraud, corruption and other illegal activities affecting the EU's financial interests" was relevant to its general objective to protect the EU's financial interests, with 46.7% agreeing with this statement and 46.7% strongly agreeing.

Moreover, the majority of applicants provided that the eligible activities under the call for proposals were clearly relevant to the specific objective of the programme, with 73.3% agreeing with this statement and 26.7% strongly agreeing. The majority of applicants also stated that the goals and eligible activities of the call for proposals were covering all their operational needs related to the protection of EU financial interests, with 66.7% agreeing with this statement and 13.3% strongly agreeing.

Lastly, all applicants have stated that it was clear how the call for proposals was effectively contributing to the objectives of the programme, with 35.7% agreeing with this statement and 64.3% strongly agreeing. It was also clear to a majority of applicants that their response to the call for proposals needed to demonstrate how they would contribute to the objectives of the programme effectively.

Regarding the 2023 AFIS satisfaction survey, a majority of **AFIS users** stated that the applications they most frequently use respond to their professional needs, with 23% slightly agreeing with this statement and 59% agreeing. The level of satisfaction of AFIS users in the functionality of AFIS applications was high on average, with 81% across all applications. The Mutual Assistance System (MAS) is the highest-rated application in this regard, with 94% satisfaction.

A majority of AFIS users also indicated that the available applications in AFIS provide up-to-date tools to tackle latest trends regarding the crime of fraud and related irregularities, with 25% slightly agreeing and 40% agreeing.

While IMS is the AFIS application with the lowest rate of satisfaction in terms of functionality, the satisfaction rate remains high at 87.5%.

7.4.2. Targeted interviews

Overall**, beneficiaries** interviewed expressed a positive outlook on the specific objectives of the UAFP. Five beneficiaries emphasized the relevance of these objectives to the programme's overarching goals. One beneficiary noted that the general objectives effectively cover the needs of users across most Member States and should remain broad. The objective aimed at supporting mutual assistance and cooperation was highlighted as particularly pertinent by one interviewee, leading to a noticeable increase in cooperation.

Six beneficiaries affirmed the continued relevance of the programme's specific objectives to emerging trends in the fight against fraud. Additionally, one beneficiary mentioned

that their project work had contributed to identifying new crime trends in their field. Suggestions were made regarding areas of fraud that should receive more attention in the UAFP, including VAT frauds, frauds of bad faith, and tobacco smuggling frauds.

Another suggestion was to include topics such as fraud investigation procedures and prosecution in training calls. Furthermore, one participant proposed adding an objective focused on combating "technology-enabled fraud," emphasizing the importance of addressing cybercrime separately.

Several beneficiaries noted that activities conducted under the programme were relevant or highly relevant to achieving its specific objectives. Applicants generally agreed that the specific objectives were relevant both to the programme's overarching goals and to their own needs as potential beneficiaries. Some emphasized that training projects could benefit from a stronger focus on research alongside training and dissemination.

Regarding the relevance of specific objectives to emerging trends, most applicants had limited perspectives but received positive feedback from colleagues. Differences in how fraud develops between Member States made it challenging to assess relevance uniformly.

Overall, most applicants considered the programme's activities, as reflected in the calls for proposals, relevant to its specific objectives and capable of addressing research gaps in their respective fields.

The interview conducted with AFIS business managers provided further insight into the mechanisms used to ensure that AFIS stays relevant to the needs of its end users. The interview highlighted that AFIS end users both within OLAF and in the Member States are involved early on in the development of AFIS systems through dedicated workshops and training sessions. OLAF also receives user input through expert group sessions and the user satisfaction survey.

An interview with OLAF staff identified potential **challenges** to maintaining relevance, specifically challenges related to adopting new hardware and software in order to ensure OLAF support stays relevant to the needs of beneficiaries. Developing additional capacity to support AI operations could help solve **challenges**; however, the hardware and software costs are significant. Providing these items across all Member States could not be achieved with the current allocation of funding and would require an increase in the programme funds. The interview further identified that developing additional capacity relating to satellite imagery would be beneficial to support customs operations.

7.5. Added Value

7.5.1. Surveys

The survey of **beneficiaries** provided valuable insights, although not conclusive, into the added value of the UAFP. Survey results indicated that UAFP funding has generally contributed to expanding the scope of interventions and improving their delivery process.

A majority of respondents indicated a significant benefit to the scope of intervention (46.2 percent), while others noted at least some benefit (7.7 percent responding somewhat beneficial). However, a notable portion of respondents either did not know the overall benefit or found the question not applicable (38.5 percent of respondents).

The survey of **AFIS users** returned mixed results regarding the perceived added value of AFIS. While many respondents indicated they could not perform their duties using an existing national system, many others indicated that they either could perform the same duties on an existing national system or that they did not have an opinion.

Respondents were asked whether, in the absence of AFIS, they could perform their job duties using a similar existing national system. Out of 1320 respondents, 37 percent either slightly disagreed (13 percent) or disagreed (24 percent) that they could perform their job duties using a similar national system. Only slightly fewer AFIS users agreed (20 percent) or slightly agreed (13 percent) that they could perform their job duties in the absence of AFIS. Finally, a large number of respondents (30 percent) replied that they did not have an opinion.

7.5.2. Targeted interviews

In general, interview participants overwhelmingly agreed that the UAFP programme offers significant added value, with many considering it indispensable to their work.

Beneficiaries conducting technical assistance projects under the Hercule component emphasized that the support provided by UAFP is more specialized than what is available at the national level. With UAFP funding, they were able to acquire highly specialized equipment and arrange necessary training, which would have been challenging with national-level support. Some applicants noted that they had previously attempted to secure funding at the national level for similar projects but were rejected due to budget constraints.

While a few participants acknowledged that their projects could have been feasible at the national level, they highlighted the enhanced effectiveness and quality achieved through UAFP funding.

Participants in training activities agreed that similar projects could not be completed with support solely from the national level. Many stressed the necessity of EU-level funding for enabling research relevant to protecting the EU's financial interests, as national funding often prioritizes local issues.

Respondents widely agreed that the research funding provided under UAFP addresses a unique niche, covering topics crucial to safeguarding the EU's financial interests that might otherwise go unfunded.

Few respondents provided detailed information about the efficient use of financial resources, citing the lack of comparable funding sources as a reason.

Several respondents noted additional benefits beyond efficiency, such as staying up to date with rapidly evolving IT technologies, increased credibility and participation in training activities due to OLAF's involvement, and a neutral review process facilitated by EU-level funding.

Overall, interview participants underscored the vital role of UAFP funding in supporting their work and addressing critical research gaps that would otherwise remain unfunded.

ANNEX VI. LEGISLATIVE BACKGROUND OF COUNCIL REGULATION (EC) NO 515/97 AND ITS ROLE IN THE PROTECTION OF THE FINANCIAL INTERESTS OF THE EU[367] (CONTINUATION OF CHAPTER 2.1.1.4 ABOVE)

1. Introduction

Council Regulation (EC) No 515/97 of 13 March 1997 ('Council Regulation 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 agricultural matters**, **together with the UAFP Regulation**, are the **cornerstones of mutual assistance** in customs and agricultural matters at European level. Effective cooperation in these fields **strengthens** the protection of the financial interests of the Union and contributes to the **safety and health** of citizens and the **protection of the environment**.

Council Regulation 515/97 sets out the rules under which customs and agriculture administrations may cooperate administratively at bilateral and Union level to ensure the correct application of customs and agriculture law. This cooperation is carried out by using mutual administrative assistance mechanisms in the **form of exchange of information, joint operational actions, training courses or collection of evidence and other support provided during administrative enquiries**.

It can take place between Member States or between these and the Commission or at international level with non-EU countries. The nature and outcome of such activities varies considerably in terms of duration, number of authorities involved, allocated resources and necessary efforts to achieve the proposed aim.

The first legal instrument setting up the provisions for mutual assistance in the customs domain was the Naples Convention (later known as 'Naples I Convention') adopted in 1967, which recognised that cooperation between customs administrations would help to ensure accuracy in the collection of customs duties and other import and export charges and improve the effectiveness of preventing, investigating and prosecuting contraventions of customs laws. It covered all customs aspects.

After the creation of the Customs Union in 1973, the Commission made a proposal for a Regulation on mutual assistance between Member States and cooperation with the Commission in customs and agricultural matters. This proposal was adopted in 1981 as

[367] Source: Commission Staff Working Document, SWD(2013) 428, 15.12.2023, Evaluation of 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 agricultural matters.

Regulation 1468/81[368]. Regulation 1468/81 became the counterpart of Naples I for EU aspects, while this Convention applied for issues not covered by the new Regulation.

In 1997, as part of a far-reaching reform, Regulation 1468/81 was replaced by Council Regulation (EC) No 515/97. One of the **main achievements was the creation of a database** for the collection and storage of customs information at European level for anti-fraud purposes. This database was named **Customs Information System (CIS)**. The aim of CIS is to assist in the prevention, investigation and prosecution of operations in breach of customs and agricultural legislation by increasing, by means of a more rapid circulation of information, the effectiveness of the cooperation and control procedures of the competent authorities.

The **Naples II Convention**, introduced in 1997, replaced the previous Naples Convention with a view to preventing and detecting infringements of national customs provisions and prosecuting and punishing infringements of Community and national customs provisions not harmonised at Union level.

The second convention, the **CIS Convention**[369] adopted in 1995, focused on the use of information technology for customs cooperation in areas of the competence of Member States. In 2009, the CIS Convention was transformed in **Council Decision 2009/917/JHA (CIS Decision)**[370].

These two legal instruments relate to **cooperation activities in the fight against criminal offenses, established by Member State national laws** and falling under Article 87 of the Treaty on the Functioning of the European Union (TFEU).

Together with Council Regulation 515/97, they cover the customs mutual assistance spectrum at EU level.

The mutual assistance with non-EU countries is based on mutual administrative assistance (MAA) provisions, often in the form of a protocol, in international cooperation or free trade agreements. Regulation 515/97 complements the MAA provisions under international agreements, allowing information to be communicated to/exchanged with third countries that do not have an international agreement with the Union.

In 2008, Regulation (EC) No 766/2008[371] of the European Parliament and of the Council amended Council Regulation 515/97 and introduced two new IT systems:

[368] Council Regulation (EEC) No 1468/81 of 19 May 1981 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 or agricultural matters.

[369] Convention of 26 July 1995 on the use of information technology for customs purposes (OJ C 316, 27.11.1995, p. 33).

[370] Council Decision 2009/917/JHA of 30 November 2009 on the use of information technology for customs purposes

[371] Regulation (EC) No 766/2008 of the European Parliament and of the Council of 9 July 2008 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 agricultural matters.

- the transport directory, a directory of data reported by carriers to detect movements of goods that are the object of operations in potential breach of customs and agricultural legislation, and the means of transport used for that purpose; and
- the Customs Files Identification Database (FIDE) which contains data about companies or persons subject to investigation by the customs or agriculture authorities. FIDE was also integrated in the CIS Decision.

In 2015, Regulation (EU) 2015/1525 of the European Parliament and of the Council[372], which has applied since 1 September 2016, introduced the directory for Container Status Messages (CSMs) and the directory for Import, Export and Transit (IET).

Over time, a reference to the Regulation was included in a number (altogether 19) of specific legal instruments as support for mutual administrative assistance purposes.

The Anti-Fraud Information System (AFIS) was set up by the Commission in 1997 as the single technical infrastructure hosting the various IT applications for the storage and exchange of information for the purposes of the Regulation. The AFIS system is available to users in Member States, partner third countries, international organisations, Commission services and other EU Institutions.

The information exchanged by Member States can be used by the Commission to disseminate fraud alerts to Member States (usually in the form of mutual assistance communications) or to initiate administrative enquiries.

The access to AFIS and its applications is granted by the AFIS liaison officers designated in each Member State.

2. Objectives

Two main objectives were set at the last revision of Council Regulation 515/97, initiated in 2013:

1. Increase the detectability, prevention and prosecution of breaches of customs and agricultural legislation by enhanced collaboration both between the Member States and between the Member States and the Commission:

- Improve the process related to customs mutual assistance;
- Create conditions for improved fighting of customs fraud especially related to **mis-declaration of goods' origin**, to **mis-description of goods** to **misuse of the transit system**, and to **undervaluation;**
- Improve the availability and management of customs data.

[372] Regulation (EU) 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 agricultural matters (OJ L 243, 18.9.2015, p. 1–12), ELI: http://data.europa.eu/eli/reg/2015/1525/oj.

2. Improve the process related to administrative enquiries in the area of customs mutual assistance.

The provisions of Council Regulation 515/97 are meant to contribute to the achievement of these objectives.

3. Agricultural matters

Council Regulation 515/97 sets the provisions for mutual administrative assistance in agricultural matters in particular, where specific provisions are not established under the related legislation.

'Agricultural legislation' is defined by the Regulation as the body of provisions adopted under the common agricultural policy and the special rules adopted with regard to goods resulting from the processing of agricultural products.

In order to ensure that the competent authorities are able to respond quickly to health emergencies, tracking and tracing of movements of products subject to agricultural legislation is of utmost importance. To ensure that such goods are tracked and traced at all stages of movement, information should be provided concerning importation, exportation, transit, temporary storage and intra-EU movements of such goods. This information is exchanged using the Customs Information System (CIS).

4. Customs matters: scope and definitions

Council Regulation 515/97 starts by stating its scope and providing key definitions (Articles 1-3) to ensure a consistent understanding and application by the parties involved.

5. Assistance on request

The rules for assistance on request of another Member State's authority are defined by Articles 4-12 of Council Regulation 515/97.

At request of an authority of another Member State, Members States' authorities shall transmit any information that enable to ensure compliance with the provisions of customs or agricultural legislation. In order to obtain this information, the requested authority shall proceed as though acting on its own account or at the request of another authority in its own country. This information shall include any related attestation, document or certified true copy of a document in its possession.

At request of the applicant authority, the requested Member State shall notify the addressee of all instruments or decisions, which emanate from the administrative authorities and concern the application of customs or agricultural legislation. The requests for notification shall mention the subject of the decision and be accompanied by a translation in the official language of the requested Member State.

Member States shall carry out administrative enquiries on request of another authority related to operations that are or appear to constitute breaches of customs or agricultural legislation. The results of the administrative enquiries shall be communicated to the requesting authority.

Information or documents obtained by recourse to mutual assistance may constitute admissible evidence in administrative and judicial proceedings of the requesting Member State, unless explicitly stated when the information is provided.

6. Special watch on persons, goods and means of transport

Where there are reasonable grounds of suspicion of breaches in the customs or agricultural legislation, Member States authorities shall keep or arrange for a special watch on persons and their movements, on places where goods are stored, on the movements of goods and on means of transport. This special watch is done on their own initiative or at request of another Member State or the Commission and take often the format of a joint customs operation (JCO). A JCO is an operational action of a limited duration of time and with targeted measures, coordinated and jointly implemented by the Member States or by these and the Commission, for combating cross-border illicit trafficking of goods.

Special watch actions, including JCOs are organised with multiple objectives:

- To improve practical cooperation between the participant customs administrations, between customs and the European Commission and with other law enforcement services and any other relevant organisations involved in the action (such as with Europol or the World Customs Organization (WCO));
- Enhance enforcement capabilities of customs administrations, in the EU Member States and the third countries participating in the operation, notably by developing their operational capacities;
- Establish a workable mechanism for information exchange between all involved partners;
- Collect additional information that cannot be obtained during daily work;
- **Prevent the traffic of illicit goods** destined to the European Union territory;
- Deliver tangible results in terms of seizures/detentions of goods;
- **Identify new threats and/or new *modi operandi***;
- **Develop more accurate risk profiles for effective targeting** and update the existing threat assessment based on the information collected;
- Assure appropriate follow-up action in conjunction with the law enforcement authorities;
- Develop or extend the investigative activities on basis of the positive results identified during the operational action.

The Virtual Operation Coordination Unit (VOCU) is the communication system of the AFIS platform, used for the secure exchange of information during these operational actions. This system is established on the bases of the Regulation, as part of the permanent technical infrastructure provided by the Commission for the coordination of JCOs and special watch actions.

The Permanent Operational Co-ordination Unit (P-OCU) is the other part of the infrastructure made available to Member States for operational support. This secure room, located in the premises of the Commission's European Anti-Fraud Office (OLAF) in Brussels, can accommodate liaison officers from the Member States and participant third countries and organisations for the entire duration of the actions, with the purpose of jointly coordinate the operational activities.

All costs of installing and maintaining the permanent technical infrastructure are financed by the Commission on the basis of Council Regulation 515/97, through the UAFP's budget.

7. Spontaneous assistance

Member States' authorities can spontaneously provide assistance to other Member States (without prior request), when this is considered useful to assure compliance with customs or agricultural legislation (Articles 13-16 of Council Regulation 515/97). This includes keeping the above mentioned special watch activities and communicating all information in their possession including documents.

Member States may also communicate other information to the competent authority of another Member State, with the purpose of preventing or detecting operations which constitute, or appear to constitute, breaches of customs or agricultural legislation. This can be done by regular automatic exchange or occasional automatic exchange. Such information may concern the entry, exit, transit, storage and end-use of goods, including postal traffic, moved between the customs territory of the EU and other territories, and the presence and movement within the customs territory of the Union of non-EU and end-use goods, where necessary.

Information or documents obtained by recourse to mutual assistance may constitute admissible evidence in administrative and judicial proceedings of the requesting Member State, unless explicitly stated when the information is provided.

8. Relations with the Commission

The terms of the relations established between the Commission and Member States on mutual administrative assistance are defined by Council Regulation 515/97 (Articles 17-18e). On these terms, the competent authorities of each Member State shall communicate to the Commission any relevant information concerning goods, methods or practices related to breaches of customs or agriculture legislation, as well as requests for assistance, actions taken and information exchanged that are capable to reveal fraudulent tendencies in the field of customs or agriculture.

This information is of importance when these operations are of particular relevance at Union level or when they might have ramifications in other Member States or third countries, or where it appears likely that similar operations have also been carried out in other Member States. Member States shall communicate to the Commission as soon as possible, either on their own initiative or in response to a reasoned request from the

Commission, any relevant information (be it in the form of documents or copies or extracts thereof) needed to determine the facts, so that the Commission may coordinate the steps taken by the Member States. The Commission shall convey this information to the competent authorities of the other Member States.

On the other hand, the Commission shall communicate to Member States any helpful information to enforce customs and agriculture legislation. This is usually done in the format of **mutual assistance (MA) communications**, an information or a request for assistance made in a structured way, whose format has been agreed with Member States at the former Mutual Assistance Committee (Article 43), today replaced by the **Commission Expert Group on Mutual Assistance in Customs matters (EMAC)**.

Where the Commission considers that irregularities have taken place in one or more Member States, it shall inform the Member State or States concerned thereof and that State or those States shall, at the earliest opportunity, carry out an administrative enquiry. Where these enquiries do not have an impact on the Union's financial interests, the Commission acting on the basis of Council Regulation 515/97, can take a coordination role by ensuring work synergies among the services involved, by facilitating the collection and exchange of information from the national and Commission databases, by organising joint operational meetings and by providing analytical support. The findings of the enquiries shall be communicated to the Commission as soon as possible.

For cases where the **financial interests of the Union are involved**, the Commission acting on the basis of the OLAF Regulation, may exercise its powers for the coordination of the administrative enquiries lead by the Member States, **to provide these with assistance in the coordination of their investigations and other related activities for the protection of the EU financial interests, or for conducting its own administrative investigations**.

Where the Commission has opened a coordination case under Article 1(2) of the OLAF Regulation, it shall provide all necessary assistance to the competent administrative authorities of the Member States and to coordinate and contribute to the investigations carried out by these authorities. The assistance provided by the Commission facilitates the collection and exchange of evidence and ensures investigation synergy among the relevant competent authorities.

Where the Commission has opened an investigation case under Article 3 of the OLAF Regulation, it may carry out on the spot checks and inspections in the EU and third countries, in accordance with the cooperation and mutual assistance agreements and/or any other legal instrument in force (e.g. Council Regulation 2185/96[373]).

[373] Council Regulation (EURATOM, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

9. Transport directory

The Commission is entitled to establish and manage a transport directory (Article 18a of Council Regulation 515/97) of data reported by carriers for movements of goods, persons and companies, for movements by air, by train, by road and by post. This Transport Directory is expected to provide the full picture of the movements of goods transported into and out of the Union territory. Access is restricted to designated competent authorities of Member States and Commission.

10. Container Status Messages (CSM)

The Commission establishes and manages a Container Status Messages (CSMs) directory (Articles 2, 18a, 53, 43b of Council Regulation 515/97). The Container Status Messages (CSM) directory collects data related to movements of containers destined to be brought by maritime vessel into the customs territory of the Union from a third country, as well as export-movements goods subject to excise duties in the following categories: alcohol, cigarettes/tobacco or energy products. The CSM directory has been operational since September 2016.

Carriers are obliged by the Regulation to transmit defined CSM data directly to the CSM directory. The frequency of reporting of container status messages, the format of the data and the method of transmission are defined under Commission Implementing Regulation (EU) 2016/345.

11. Import, Export and Transit (IET)

The Commission establishes and manages a directory containing data on imports of all type of goods, transit of all type of goods and export of restricted goods relating to alcohol, cigarettes/tobacco or energy products (Article 18d). This directory is named Import, Export and Transit (IET). IET does not include data on direct exports, neither national transit messages.

To leverage existing resources, the Commission systematically replicates data from other sources operated by the Commission. Thus, the IET directory receives and stores import and export declarations from the Surveillance system, export declarations from the AES system and transit declarations from the NCTS system. For the moment, transit declarations are also stored in Anti-fraud transit information system (ATIS).

12. Relations with third countries

The section on the relations with third countries (Article 19-22 of Council Regulation 515/97) provides the legal basis for mutual assistance with third countries with which there is no mutual administrative assistance (MAA) agreement.

Council Regulation 515/97 allows pursuant information to be communicated/exchanged between the Commission and the Member States with third countries in cases of particular interest for the European Union. Furthermore, it contemplates the possibility of

the Commission, in coordination with Member States, to conduct administrative and investigative cooperation missions in third countries.

In the absence of an agreement on cooperation and mutual administrative assistance in customs matters between the European Union and a third country, the assistance may take place with the third country concerned under the conditions laid down in Article 19 of Council Regulation 515/97. It can also complement the MAA provisions under existing agreements.

13. Customs Information System (CIS)

The Customs Information System (CIS) (Articles 23-41 of Council Regulation 515/97) was built to secure the rapid and systematic exchange of information on infringements in the customs and agriculture domain at Union level.

The aim of the CIS is to assist in preventing, investigating and prosecuting operations which are in breach of customs or agriculture legislation, by making relevant information available more rapidly and thereby increasing the effectiveness and suitability of the cooperation and control procedures applied by the competent authorities. The CIS consists of a central database, assessable to all Member States and the Commission comprising data, including personal data, on suspicious or established customs infringements in the following categories: commodities, means of transport, businesses, persons, goods and cash.

Personal data can solely be included in the CIS for the purpose of actions of sighting and reporting, discreet surveillance, specific checks and operational analysis. The access to the data is restricted to designated customs competent authorities from Member States and the Commission.

Due to amendments made to Council Regulation 515/97 through the years, the CIS was developed in successive IT applications since its creation in 1997. It was initially developed as a stand-alone AFIS application. In 2010, it was integrated in the Mutual Assistance Broker, a system consisting of several modules for the exchange of intelligence and operational information in the customs domain: CIS, CigInfo (containing information on cigarettes seizures), MarInfo (for exchange of intelligence on sensitive goods transported by maritime cargo), YachtInfo (for exchanges of intelligence on sensitive goods transported by non-commercial vessels).

The system was last updated in 2018, to introduce the new provisions following the recast of the regulation. The CIS was then technically updated as a single application integrating the information contained in the CIS, CigInfo, MarInfo and YachtInfo applications.

14. Customs Files Identification Database (FIDE)

The Customs Files Identification Database (FIDE) (Articles 41a-d of Council Regulation 515/97) is a database managed and set up by the Commission with the objective to help

prevent operations which are in breach of customs and agriculture legislation and to facilitate and accelerate their detection and prosecution. The data of the centralised database covers persons and businesses subject to an administrative enquiry or a criminal investigation, as well as the field concerned and the details of the Member States competent authority in charge of the file.

The purpose of the FIDE is to allow the Commission, when it opens a coordination file or prepares a Community mission in a third country within the meaning of Council Regulation 515/97, and the competent authorities of a Member State, when they open an investigation file, to identify the competent authorities in other Member States or the Commission departments which are or have been investigating the same persons or businesses concerned. The system does not contain the details of the case.

15. Data analysis

The data exchanged between the Member States and the Commission may be stored and used for the purpose of operational and strategic analysis and the results of this analysis may be interchanged between them (Article 2 of Council Regulation 515/97).