



EUROPEAN COMMISSION

EUROPEAN ANTI-FRAUD OFFICE (OLAF)

Management Plan 2014

EUROPEAN ANTI-FRAUD OFFICE
OLAF

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PART 1. MISSION STATEMENT

The mission of the European Anti-Fraud Office (OLAF, also referred to as ‘the Office’ in this report) is threefold:

to protect the financial interests of the European Union (EU) by investigating fraud, corruption and any other illegal activities;

to detect and investigate serious matters relating to the discharge of professional duties by members and staff of the EU institutions and bodies that could result in disciplinary or criminal proceedings;

to support the European Commission in the development and implementation of fraud prevention and detection policies.

PART 2. THIS YEAR'S CHALLENGES

A personal message from Giovanni Kessler

Director-General of OLAF

OLAF will face many important challenges in 2014. In addition to its constant fight against fraud, corruption and any other illegal activity affecting the financial interests of the European Union, the Office will focus its efforts on the effective implementation of the new OLAF legal framework, on the reinforced cooperation with its key partners, as well as on the legislative process related to the European Public Prosecutor Office.

Effective implementation of the new OLAF legal framework

On 1st October 2013, Regulation 883/2013 establishing a new framework for the work and the functioning of OLAF has entered into force. Based on that, new Guidelines on Investigation Procedures for OLAF staff were adopted with even stronger emphasis on the conduct of investigations, on procedural guarantees, on internal advisory and control procedures and on data protection. In 2014, OLAF and its relevant partners need to ensure the effective and timely implementation of such provisions.

Regulation 883/2013 better defines the relationship between OLAF and the Supervisory Committee. Based on this, the two bodies have agreed and signed new Working Arrangements in January 2014, marking a significant step forward in their working relationship, which will enhance the support to OLAF's investigative functions and its independence.

Reinforcing cooperation with key partners in the fight against fraud

OLAF's ambition and objective is to be a highly efficient and high standard service adding value to the EU citizens and taxpayers against fraud. In this context, the Office will reinforce its cooperation with the EU institutions, bodies, agencies and offices, as well as with European and non-European countries.

In 2013, OLAF signed a number of important cooperation arrangements with institutional partners, including practical arrangements with the European Parliament. These efforts will continue in 2014.

During the first semester, the first inter-institutional exchange of views on the activities and role of OLAF will take place, allowing EU institutions to gather together and discuss the Office policy concerning the methods to combat fraud, corruption and any other illegal activity affecting the financial interests of the European Union. Such discussion will greatly contribute to a more effective cooperation among the actors involved and thus to a reinforced action against fraud.

Cooperation with Member States as well as non-EU countries and International Organisations will also be stepped up. On the one hand, the designation of Anti-Fraud Coordination Services (AFCOSs) in each Member State will be a major step towards an enhanced and systematic mutual support; on the other hand, the Office plans to sign new Administrative Cooperation Arrangements with third countries, as well as to improve the working arrangements with Europol and Eurojust. Such steps will ensure that OLAF

establishes the right level of cooperation and assistance with all the most significant partners.

Performance indicators

In 2014, the activities of the Office will revolve around the following key performance indicators:

Average duration of selections;

Average duration of investigations;

Percentage of investigations closed with recommendations; and

Implementation of the Strategy to step up the fight against cigarette smuggling and other forms of illicit trade in tobacco products.

The objective of an effective and reliable internal control system will be reflected by the following indicator:

Percentage of internal audit recommendations implemented without being overdue for more than 12 months.

It goes without saying that my colleagues and I will work relentlessly to reduce the length of selection and investigation phases, while at the same time making sure that our efforts are concentrated on those cases which most deserve attention, thus leading to recommendations for judicial action.

Despite the many challenges, I am deeply convinced that thanks to the dedication, quality and efficiency of its staff, in 2014 OLAF will continue to deliver high quality work at the service of the EU citizens.

29 January 2014

PART 3. GENERAL AND SPECIFIC OBJECTIVES OF THE POLICY

ADMINISTRATIVE EXPENDITURE OF THE "FIGHT AGAINST FRAUD" POLICY AREA

ABB activity: Administrative expenditure of the "Fight against fraud" policy area					
Financial resources (€ in commitment appropriations)			Human resources		
Operational expenditure	Administrative expenditure	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
0	57.206.000	57.206.000	372	53	426

General objective 1: To protect the financial interests of the EU and the reputation of its institutions by combating fraud, corruption and any other illegal activities by means of efficient investigations and coordination actions			Spending programme <input checked="" type="checkbox"/> Non-spending		
Impact indicator 1: Percentage of investigations closed with recommendations Source: CMS					
Baseline (2012)		Milestone (2014)		Target (2016)	
2012: 32%		At least 40%		At least 50%	
2013: 51% ¹					
Impact indicator 2: Amount of recoveries² (as 2 years' moving average)³ Source: Annual reporting by partners and stakeholders					
Baseline (2012)		Milestone		Target (2016)	

¹ Latest known results considerably vary between 2012 and 2013. Milestone and target may be adapted in the future if the trend is confirmed.

² OLAF applies this as a general indicator to measure the value-added of anti-fraud action; however, OLAF itself has no recovery powers.

³ Average will be calculated on the results for the last 2 years. Until 1/2/2012, the total amount recovered in a case has been recorded in the annual reports of the year in which the case was closed by OLAF regardless of when it had actually been recovered. As from 2012, OLAF has recorded the amounts recovered in the year of their actual recovery by competent authorities. Figures available for this calculation/reporting method cover only 2012. The MP 2014 refers to an indicator based on a 2 years average.

	(2014)	
2012: A ratio of 1.6:1 between recoveries as a result of OLAF's investigations and OLAF's administrative budget. ⁴	A ratio of 2:1 or above.	A ratio of 2:1 or above.

General objective 2: To protect the financial interests of the Union against fraud thus enhancing the competitiveness of the European economy and ensuring the protection of the taxpayer's money by means of contributions to the development of anti-fraud policies		Spending programme <input checked="" type="checkbox"/> Non-spending
Impact indicator: Degree of convergence by Member States' authorities, in the implementation of the revised legal framework for OLAF's investigations (Reg.883/2013), which must designate an "anti-fraud coordination service" (AFCOS) as a first point of contact for OLAF Source: OLAF Regulation 883/2013		
Baseline (2013)	Milestone (2014)	Target (2016)
53% of MS with designated AFCOS (15 MS).	100% of MS with designated AFCOS (28 MS).	100% of MS with designated AFCOS (28 MS).
Main outputs		
description	indicator	target
Proposal amending Regulation 515/97 adopted on November 25, 2013.	Actively contribute to swift negotiations.	Conclude negotiations on amendments proposed to Regulation 515/97 (see COM (2013) 0796 final) by 2015.
Clarify and streamline structure of Advisory	Structure in place and	By 2014.

⁴ As compared with previous years, the ratio refers to the administrative budget of OLAF. The operational budget is not included because it concerns support of Member States' actions not related to recoveries as a consequence of investigations conducted by OLAF.

Committee and its expert groups for the Coordination of Fraud Prevention (COCOLAF).	functioning.	
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3.1 Investigative and coordination activities

This section sets specific objectives, indicators and targets for the selection of cases to be opened by OLAF, the conduct of investigations and coordination activities, as well as the implementation of recommendations issued by OLAF as a result of its investigative and coordination activities.

Before opening an investigation, OLAF assesses if the case falls within its competency to act and establishes whether the information is sufficient to open an investigation or coordination case. The decision to open an investigation, or not, always takes into account the principles of subsidiarity and proportionality, and the need for efficient use of the Office's resources. The decision further takes into account the Investigation Policy Priorities (IPP) of the Office (see article 5 (1) Reg. 883/2013) setting out special sectorial priorities for 2014. The IPPs' are determined on the basis of a risk assessment. They do no longer refer to specific financial indicators but the financial impact is taken into consideration as part of the proportionality principle.⁵ OLAF's IPPs for 2014 are attached to the present management plan as annex.

For any opening decision, the IPPs need to be taken into consideration and applied with the necessary degree of discretion. The opening and carrying out of an investigation is done by OLAF in full independence without instructions from any government, institution, body, office or agency.⁶

Specific objective: Further improve the efficiency and effectiveness of OLAF's investigations and coordination actions		Spending programme <input checked="" type="checkbox"/> Non-spending
1. Speed up the initial assessment of whether a case should be opened		
Result indicator 1: Average duration of selections⁷ Source: CMS		
Baseline (2013)	Milestone (2014)	Target (2016)
2013: 1.8 months 2012: 1.4 months ⁸	No longer than 2 months.	No longer than 2 months.

⁵ See also European Parliament (European Parliament Resolution of 3 July 2013 on the Annual Report 2011 on the protection of the EU's Financial Interests – Fight against fraud (A7-0197/2013 / P7-TA (2013) 0318), paragraph 12).

⁶ See Article 17.3 of OLAF Regulation 883/2013.

⁷ Including both the items that resulted in an investigation or coordination case and those that did not.

⁸ Cases under selection from 01.02.2012 until 31.12.2012.

Result indicator 2: Percentage of selections closed whose duration is less than 2 months Source: CMS		
Baseline (2013)	Milestone	Target (2016)
	(2014)	
2013: 77% 2012: 76%	At least 75%	At least 75%
2. Reduce the duration of investigations⁹		
Result indicator 1: Average duration of investigations¹⁰ Source: CMS		
Baseline (2013)	Milestone	Target (2016)
	(2014)	
2013: 17.5 months 2012: 17.3 months	No longer than 20 months.	No longer than 19 months.
Result indicator 2: Percentage of on-going investigations lasting more than 20 months (the milestone of average duration of investigations for 2014) Source: CMS		
Baseline (2009-2013) ¹¹	Milestone	Target (2016)
	(2014)	
2009-2013: 32%	<30%	<30%

Main output in 2014		
description	indicator	target
Develop specific devices for monitoring the implementation of recommendations issued by	Develop specific module in CMS or other technical tool.	Implement technical tool.

⁹ Reduction as compared with target for previous year (21 months).

¹⁰ This indicator does not include coordination cases.

¹¹ Baseline calculated as a five year average (2009-2013) with respect of an average duration of 20 months.

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3.2 Investigation support

One Directorate in OLAF provides specialised services to support OLAF's investigation and coordination activities. Within this Directorate, one unit monitors the efficiency, effectiveness and quality of the investigative process and support it with the necessary tools. Data-gathering, forensic acquisition, data gathering and analysis, as well as other relevant tools and related technical assistance to OLAF investigative units and competent authorities in the Member States are provided from within this Directorate. The remaining units are responsible for legal advice, training and communication linked to the investigations. This Directorate will be restructured in 2014 to reflect the need for a better coordinated action of OLAF's IT units. In particular, specific emphasize will be put on IT development.

Specific objective: Provide the necessary tools and training to support OLAF's investigative activities		Spending programme <input checked="" type="checkbox"/> Non-spending
1. Train investigative staff		
Result indicator: Percentage of investigative staff participating in investigative training in relation to the total number of investigative staff Source: Syslog		
Baseline (2012)	Milestone (2014)	Target (2016)
2012: 79% ¹²	80%	80%
2. Reply to requests and complaints		
Result indicator 1: Timely replies to requests from the Ombudsman and the EDPS complaints¹³ Source: CMS/Unit C.4		
Baseline (2013)	Milestone (2014)	Target (2016)
2013: Replies within the timeframe foreseen by the relevant Regulations: 84 %	Replies within the timeframe foreseen by the relevant Regulations:	Replies within the timeframe foreseen by the relevant Regulations:

¹² Data for 2012: out of 213 investigative staff (A, B, 01 and C3) 170 have followed and investigative training.

¹³ The requests included are individual complaints, requests by the EDPS and requests from the Ombudsman.

	<100%.	<100%.
Result indicator 2: Timely replies to requests on access to documents and personal data¹⁴		
Source: CMS/Unit C.4		
Baseline (2013)	Milestone (2014)	Target (2016)
2013: Replies within the timeframe foreseen by the relevant Regulations: 84.5 %	Replies within the timeframe foreseen by the relevant Regulations: <100 %.	Replies within the timeframe foreseen by the relevant Regulations: <100 %.
3. Supply Information and Communication Technology (IT) tools		
Result indicator: Internal users' degree of satisfaction with IT systems and services		
Source: OLAF IT user satisfaction survey		
Baseline (2012)	Milestone (2014)	Target (2016)
2012: 89% ¹⁵	At least 90%	At least 90%

Main output in 2014		
description	indicator	target
Issuing guidance on how specific serious risks may be targeted using inter alia analytical capabilities with a view to open investigations on OLAF's own initiative.	Develop guidelines on analytical support in view of opening investigations on OLAF's own initiative.	Effective implementation of these guidelines.

3.3 Fraud prevention and anti-fraud policy

OLAF is the leading service in the conception and development of a European Anti-Fraud Policy. It deals with all phases of fraud prevention and detection, from the conception of a policy, the implementation of existing and new policies, to the reporting on its progress and effectiveness. OLAF organises regular meetings of the Commission's

¹⁴ The requests included are requests for access to documents, confirmatory applications for access to documents and requests on personal data.

¹⁵ OLAF IT user satisfaction survey 2012.

Fraud Prevention and Detection Network with the Commission services and executive agencies and actively supports them in implementing the Commission's Anti-Fraud Strategy (CAFS). OLAF is also the Commission service responsible for the coordination of the anti-fraud activities in cooperation with Member States (in the framework of the Consultative Committee for the fight against fraud – COCOLAF). The structure is also used to exchange best practices between Member States.

The dedicated OLAF Directorate furthermore prepares new legislation, works with other Commission services to implement sectorial anti-fraud strategies, build contacts with the competent authorities in the EU Member States as well as with counterparts outside the European Union, to support OLAF's investigations and anti-fraud efforts. The Commission adopted a Communication on Stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products and an accompanying Action Plan.

The Annual Report to the Parliament and the Council adopted under article 325(5) of the Treaty on the Functioning of the European Union (TFEU), and prepared in cooperation with Member States and the other Commission services, compiles the measures adopted to counter fraud and other illegal activities detrimental to the EU financial interests; describes the main results achieved at EU level; illustrates new initiatives launched by the Commission; and sets recommendations for strengthening the protection of the EU financial interests. The document will also report on the implementation of the Commission's Anti-Fraud Strategy adopted in 2011.

Specific objective: Fight against illicit trade in tobacco products		Spending programme <input checked="" type="checkbox"/> Non-spending
Result indicator: Implementation of the Strategy to step of the fight against cigarette smuggling and other forms of illicit trade in tobacco products and its Action Plan		
Source: COM (2013) 324 final, SWD (2013) 193 final		
Baseline (2013)	Milestone (2014)	Target (2015)
Council adopted Conclusions concerning the Communication in December 2013.	Implementation of relevant actions in the Action Plan.	Completion of relevant actions in accordance with the Action Plan.
Main outputs in 2014		
description	indicator	target
Follow-up on the signature of the Protocol to Eliminate Illicit Trade in Tobacco Products to the WHO Framework Convention on Tobacco Control (FCTC-Protocol).	Coordination of the measures necessary for the conclusion by EU and its Member States of the FCTC-Protocol.	Adoption of the Council Decisions necessary to conclude the FCTC-Protocol and the ratification of the FCTC-Protocol by the EU and

		its Member States.
Improve the functioning of the existing IT for information exchange in AFIS – CIGINFO.	Organisation of operational meeting with relevant stakeholders and partners.	Completeness of reports improved.
Organise further joint customs operations (JCOs).	Number of JCOs organised.	1 completed JCO.
Workshop on exchange of best practices in the fight against corruption in customs.	Organisation of the workshop.	Completion of the workshop.
Increase consultations with relevant stakeholders and partners with a view to collect reliable information on illicit trade in cigarettes. ¹⁶	Consultations with relevant stakeholders and partners.	Collection of reliable information on illicit trade in cigarettes.

Specific objective: Reinforce cooperation with non-EU countries		Spending programme <input checked="" type="checkbox"/> Non-spending
Result indicator: Sign and conclude mutual administrative assistance (MAA) protocols in customs matters with third countries		
Source: Reporting via Mutual Assistance Committee meetings and AFIS		
Baseline (2013)	Target (2015)	
Free Trade Agreements (which include MAA provisions) became operational between the EU and Peru, Colombia and Central America. Such agreements were also initialled with Singapore, Moldova and Georgia.	Finalise further MAA agreements.	
Main outputs in 2014		
description	indicator	target
Continuing negotiations on MAA provisions in the frameworks of EU's wider or stand-alone agreements with Thailand, Vietnam, Japan, USA, New	Number of negotiating rounds/intersessional meetings attended.	Conclusion of MAA provisions with the mentioned countries.

¹⁶ As compared with previous year, the MP 2014 does not include any indicator on percentage of illicit trade in cigarettes as share of total consumption in the EU or parts thereof due to lack of reliable data on which OLAF has been consulted.

Zealand.		
Organisation of the 14 th International fraud investigators' conference.		2014

Specific objective: Develop anti-fraud policy and legislation		Spending programme <input checked="" type="checkbox"/> Non-spending
Result indicator: Adoption of delegated and implementing acts laying down the reporting provisions for all expenditure fields under shared management for the new MFF (2014-2020) Source: Regulation (EU) 1303/2013, 1306/2013, 1309/2013		
Baseline (2013)	Target (2014)	
The reporting provisions currently in force for the programming period 2007-2013.	Adoption of an "anti-fraud package" on the reporting of irregularities for all expenditure fields under shared management for the new MFF (2014-2020).	
Main outputs in 2014		
description	indicator	target
Follow-up on the Commission's Work Programme (CWP) 2014 comprising initiative on procedural guarantees of OLAF (see Communication COM (2013) 533 final, 17.7.2013).	Adopt proposal for amendment to Regulation 883/2013.	April 2014.

PART 4. SPECIFIC OBJECTIVES FOR OPERATIONAL ABB ACTIVITIES

The OLAF operational budget provides the financial resources for the operation of the programmes Hercule III (2014-2020), Pericles 2020 as well as for the Anti-Fraud Information System (AFIS).

4.1 Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)

The Programme shall contribute to developing the activities at Union level and the Member States to counter fraud, corruption and any other illegal activities affecting the financial interests of the Union, including the fight against cigarette smuggling and

counterfeiting; an increased transnational cooperation and coordination at the Union level, between Member States' authorities, the Commission and OLAF, and in particular to the effectiveness and efficiency of the cross-border operations; and an effective prevention of fraud, corruption and any other illegal activities affecting the financial interests of the Union, by offering joint specialised training for staff of national and regional administrations and to other stakeholders.

The programme in particular creates savings deriving from the collective procurement of specialised equipment and databases to be used by the stakeholders and those derived from the specialised training.

The operational objectives of the Programme are:

to improve the prevention and investigation of fraud and other illegal activities beyond its currently reached levels by enhancing transnational and multi-disciplinary cooperation;

to increase the protection of the financial interests of the Union against fraud, facilitating the exchange of information, experiences and best practices, including staff exchanges;

to strengthen the fight against fraud and other illegal activities providing technical and operational support to national investigation, and in particular customs and law enforcement, authorities;

to limit the exposure of the financial interests of the Union to fraud, corruption, and other illegal activities compared to the level of exposure known today with a view to reducing the development of an illegal economy in key risk areas such as organised fraud, including cigarette smuggling and counterfeiting;

to enhance the degree of development of the specific legal and judicial protection of the financial interests against fraud by promoting comparative law analysis.

ABB activity: Promoting activities in the field of the protection of the European Union's financial interests (Hercule III)					
Financial resources (€ in commitment appropriations)			Human resources		
Operational expenditure	Administrative expenditure	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
13.677.700	0	13.677.700	7		7

Relevant general objective: To protect the financial interests of the Union thus enhancing the competitiveness of the Union's economy and ensuring the protection of the taxpayer's money

Specific objective 1: To prevent and combat fraud, corruption and any other illegal activities affecting the Union's financial interests Spending programme
Non-spending

Result indicator 1: The number of cigarettes in the EU that were seized with equipment purchased under the Hercule III actions, expressed as percentage of the

overall number of cigarettes seized within the Member States			
Source: Hercule III draft Regulation, Article 4			
Baseline (2013)	Milestone		Target (2020)
	2014	2017	
0	1%	3%	5%
Main outputs in 2014			
description	indicator		target
Grants awarded to MS authorities	Number of grants concluded in 2014		20
Result indicator 2: The number and type of training activities funded under the Hercule III programme, including the amount of specialised training			
Source: Hercule III draft Regulation, Article 4			
Baseline (2013)	Milestone		Target (2020)
	2014	2017	
25 trainings	25 trainings	25 trainings	25 trainings
Main outputs in 2014			
description	indicator		target
Delivery of trainings, seminars and conferences.	Number of training grants and number of procured conferences concluded in 2014.		25 events.

4.2 Anti-fraud information system (AFIS)

AFIS is an umbrella term for a set of anti-fraud applications operated by the European Commission under a common technical infrastructure aiming at the timely and secure exchange of fraud-related information between national and EU competent administrations. The AFIS Project, for historical reasons, encompasses two major areas: Mutual Assistance in Customs Matters and Irregularities Management.

AFIS supports Mutual Assistance in Customs Matters with the secure real-time information exchange system V-OCU (Virtual Operations Coordination Unit) used for Joint Customs Operations; secure web mail (MAB-Mail), specific information exchange modules and databases like MAB (Mutual Assistance Broker), CIS (Customs Information System) and FIDE (Customs Investigation Files Identification Database); and analysis tools like A-TIS (Anti-Fraud Transit Information System). AFIS facilitates

secure electronic communications tools for the Member States to fulfil their obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds as well as pre-accession aid. The IMS (Irregularities Management System) provides a secure electronic tool for the reporting, management and analysis of irregularities.

The AFIS Portal is a single and common infrastructure for the delivery of the above-mentioned services to more than 10 000 registered end-users in more than 1 200 competent services from Member States, partner third countries, international organizations, Commission services and other EU Institutions. The AFIS Portal enables substantial economies of scale and synergies in the development, maintenance and operations of such a wide and diverse set of IT services and tools.

ABB activity: Anti-Fraud Information System (AFIS)					
Financial resources (€ in commitment appropriations)			Human resources		
Operational expenditure	Administrative expenditure	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
6.423.000	0	6.423.000	3	2	5

Relevant general objective: To protect the financial interests of the Union thus enhancing the competitiveness of the European economy and ensuring the protection of the taxpayer's money

Specific objective 1: To support Mutual Assistance in Customs Matters through the provision of secure information exchange tools for Joint Operations and specific Customs anti-fraud information exchange modules and databases such as the Customs Information System

Spending programme
Non-spending

Result indicator 1: Number of active customs fraud cases for which information is available in the Mutual Assistance databases

Source: Council Regulation (EC) No 515/97 amended by Council Regulation (EC) No 766/2008, Regulation 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, Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes

Baseline (2013)	Milestone		Target (2020)
	2015	2017	
8 000	12 000	20 000	30 000
Main outputs in 2014			
description	indicator		target
CIS+, Project replacing the current Mutual	Project progress.		Phase 1 of the project completed: inception and

Assistance Databases (MAB, FIDE) according to the modification of Regulation 515/97.		initial development (2014). Phase 2: completion of development and initial operational launch (2015). Phase 3: Full operational launch (2016).	
Result indicator 2: Number of Joint Customs Operations (JCOs) (including EU wide and regional operations) supported/year Source: Council Regulation (EC) No 515/97 amended by Council Regulation (EC) No 766/2008, Regulation 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, Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes			
Baseline (2013)	Milestone		Target (2020)
	2015	2017	
3 JCOs	4 JCOs	5 JCOs	5 JCOs
Main outputs in 2014			
description	indicator		target
Joint customs operations supported, organised by or organised jointly with OLAF.	Number of joint customs operations conducted using AFIS/V-OCU.		4 Joint Customs Operations.
Specific objective 2: To facilitate secure electronic communication tools for the Member States to fulfil their obligation to report irregularities detected in agricultural, structural, cohesion and fisheries funds as well as pre-accession aid			<input checked="" type="checkbox"/> Spending programme <input type="checkbox"/> Non-spending
Result indicator: Availability of new irregularities reporting modules for the 2014-2020 period Source: Council Regulation (EC) No 515/97 amended by Council Regulation (EC) No 766/2008, Regulation 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, Council Decision 2009/917/JHA, Decision on the use of information technology for customs purposes			
Baseline (2013)	Milestone		Target (2020)
	2014	2015	

Development of new single harmonized module on-going.	Operational launch of new IMS single and harmonized module covering all existing regulations 2000-2006 and 2007-2013.	Operational launch of new IMS version ready for reporting regulations for the MFF 2014-2020.	IMS system fully operational in all Member States and candidate countries with reporting and analysis tools.
Main outputs in 2014			
description	indicator		target
New IMS based on single harmonized module for all irregularity reporting regulations covering old and new MFFs.	Project Progress.		Development completed, IMS system ready for MFF 2014-2020 irregularity reporting framework. Operational launch, including data migration for regulations 2000-2006 and 2007-2013.

4.3 Exchange, assistance and training programme for the protection of the euro against counterfeiting (Pericles 2020)

The Programme shall actively encourage and entail an increase in transnational cooperation for the protection of the euro inside and outside the Union and with the Union's trading partners, and with attention also being paid to those Member States or third countries that have the highest rates of euro counterfeiting, as shown by the relevant reports issued by the competent authorities; this cooperation shall contribute to the greater effectiveness of these operations through the sharing of best practices, common standards and joint specialised training.

ABB activity: Exchange, assistance and training programme for the protection of the euro against counterfeiting (Pericles 2020)					
Financial resources (€ in commitment appropriations)			Human resources		
Operational expenditure	Administrative expenditure	Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
924.200	0	924.200	5	1	6

Relevant general objective: To prevent and combat counterfeiting and related fraud thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances		
Specific objective 1: To protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States through a regular cooperation, also including third countries and international organisations	<input checked="" type="checkbox"/> Spending programme Non-spending	
Result indicator: Number of counterfeits detected Source: COM (2011) 913 final Proposal for a Regulation establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles 2020 programme), Article 4		
Baseline (2011)	Milestone (2017)	Target (2020)
2011: 606.000 notes 157.000 coins	+/- 5% compared to 2011.	Keep counterfeits under control in an average +/- 5% compared to 2011.
Main outputs in 2014 - Pericles grant programme		
description	indicator	target
Seminars		5
Staff Exchanges		4
Studies		1
Purchase of equipment		1

PART 5. HORIZONTAL ACTIVITIES

5.1 External communication

Specific objective 1: Proactive engagement with the media/external audiences in order to raise awareness of OLAF activities and foster deterrence
Indicator 1: Number of press materials issued in a year ¹⁷ Source: OLAF website and other publications

¹⁷ OLAF press releases and/or memos, news items, OLAF senior management speeches published on OLAF website, and articles authored by OLAF senior management.

Baseline (2013)	Target (2014)
12	15
Main output in 2014	
See Annex on Communication Strategy.	

5.2 Human resources management

The Human resources unit serves OLAF by focusing efforts on the office's most valuable asset, its employees. The unit achieves its mission by developing and implementing the human resources strategies of OLAF and by dealing with staff and career issues. The unit aims to provide quality services while fostering positive working environment and service culture.

Within this framework, OLAF has started developing a consistent HR strategic plan. The purpose is threefold:

- updating assessment of OLAF Human Resources and needs;
- identifying the future challenges;
- making recommendations and designing an action plan.

Five steps have been identified:

- defining the priorities and objectives of the Office;
- determining OLAF's current and future needs ;
- analysing OLAF current resources;
- assessing the gap between existing resources and future needs;
- proposing an action plan.

The first three steps have already been initiated in 2013. On top of that, further to the HR staff survey and the OLAF internal staff survey, specific concerns have been identified. All units, directorates and middle and senior managers have been invited to suggest specific actions in order to address these concerns. The results of these consultations will be assessed and incorporated in the HR strategic plan. This plan should be completed by June 2014.

Specific objective: Recruit, train, assess, motivate and retain highly-qualified staff to ensure that OLAF operates effectively and efficiently	
Indicator 1: Vacancy rate of available posts Source: Sysper2, HR dashboard	
Baseline (2013)	Target (2014)
8.4% (December 2013)	Commission average (Latest known rate : 6.5%)

Indicator 2: Female representation at senior management, middle management and AD non-management levels. Source: Sysper2, HR Dashboard	
Baseline (2013)	Target (2014)
60% at senior management, 10.5% at middle management, 34% at AD non-management level (December 2013).	Senior management target achieved, 30% for middle management, 43% for AD non-management (2014 targets set in the Equal Opportunities Strategy for Senior Management, Middle Management and Non-management Administrators).
Indicator 3: Sick leave rate (based on workdays only) Source: Sysper2, HR reports	
Baseline (2013)	Target (2014)
4.9% (December 2013)	Commission average (latest known rate : 3.9%)
Indicator 4: Average number of training days per OLAF staff¹⁸ Source:	
Baseline (2013)	Target (2014)
6.85 days per staff	Commission average (in 2012: 6.1 days)
Main output in 2014	
Following the results of DG HR and OLAF Staff Surveys: organisation of workshops per Directorate by end of March 2014 and establishment of an Action Plan by mid-2014.	

5.3 Financial management

Specific objective: Sound financial management of resources and the legality and regularity of operations. Spending programme <input checked="" type="checkbox"/> Non-spending
Result indicator 1: Percentage of budget execution (commitments) with respect to budget appropriations Source: ABAC budget system

¹⁸ The indicator includes all training (general, informatics, language and investigative). The recording system translates the actual duration of trainings into days for the purpose of reporting and comparison with the Commission average.

Baseline (Budgetary year 2012)	Target (2014)
99.6%	> 98%
Result indicator 2: Percentage of payments handled within delays set by SEC(2009)477 Source: ABAC budget system	
Baseline (Budgetary year 2013: Payment delays identified up to 25/11/2013)	Target (2014)
86.4%	>90%

5.4 Document management

Specific objective: Put in place and maintain an effective document management system so that any document connected with OLAF's official functions can be electronically filed, stored and retrieved at any time irrespective of its original form and the document management system in place	
Indicator: Percentage of incoming case related documents registered within 48 hours Source: ThOR	
Baseline (2013)	Target (2014)
81.4%	At least 85%

5.5 Internal audit

Specific objective: Assess the compliance, efficiency and effectiveness of the control system in place by:
<ul style="list-style-type: none"> - Assisting the Director General and management in controlling risks and monitoring compliance; - Providing an independent and objective opinion on the quality of management and internal control system; and - Making recommendations in order to improve the efficiency and effectiveness of operations and to ensure a cost-efficient use of resources
Indicator 1: Degree of implementation of the IAC annual work plan Source: IAC audit reports, debriefing meetings and Action Plans

Baseline (2013)	Target (2014)
80%	100 %
Indicator 2: Level of acceptance by the auditees of the “critical”, “very important” or "important" audit recommendations issued by the IAC Source: IAC audit reports, debriefing meetings and Action Plans	
Baseline (2013)	Target (2014)
N.A. ¹⁹	>80%
Indicator 3: Percentage of accepted audit recommendations implemented within the deadline Source: IAC audit reports, debriefing meetings and Action Plans	
Baseline (2013)	Target (2014)
N.A. ²⁰	>90%

5.6 Evaluation

Specific objective: Supporting decision making to improve the design and quality of interventions and reporting on their achievements.	
Indicator 1: Degree of implementation of the evaluation annual work plan Source: IAC evaluation reports, debriefing meetings and Action Plans	
Baseline (2013)	Target (2014)
100%	100 %
Indicator 2: Level of acceptance of evaluation recommendations Source: IAC evaluation reports, debriefing meetings and Action Plans	
Baseline (2013)	Target (2014)
100% ²¹	>70%
Indicator 3: Percentage of accepted evaluation recommendations implemented within the deadline Source: IAC evaluation reports, debriefing meetings and Action Plans	

¹⁹ For the audit engagements carried out in 2013, the final audit reports are planned for the first quarter of 2014.

²⁰ For the audit engagements carried out in 2013, the final audit reports are planned for the first quarter of 2014.

²¹ The evaluation of Pericles did not include recommendations, but identified several areas for improvement which have been accepted.

Baseline (2013)	Target (2014)
N.A. ²²	>80%

5.7 Internal control and risk management

<p>Specific objective: Implement, maintain and report on an effective and reliable internal control system so that:</p> <ul style="list-style-type: none"> - Reasonable assurance can be given that resources assigned are used according to the principles of sound financial management; - Risk of errors in operations is minimised and, - The control procedures put in place give the necessary guarantees concerning the legality and regularity of underlying transactions. 	
<p>Indicator 1: Percentage of internal audit recommendations implemented without being overdue for more than 12 months</p> <p>Source:</p>	
Baseline (2013)	Target (2014)
100%	100%
<p>Indicator 2: Degree of implementation of mitigating measures for critical risks</p> <p>Source:</p>	
Baseline (2013)	Target (2014)
100%	100%

²² The implementation of the areas for improvement identified and accepted will materialise as from 2014.

ANNEX: FRAMEWORK FOR MONITORING, EVALUATION AND REPORTING ON SPENDING PROGRAMMES IN THE MFF 2014-2020

Table 5.1 (mandatory)

Title spending programme:	Hercule III: programme to promote activities in the field of the protection of the European Union's financial interests.						
Summary, general description of the logic and sequence of the overall progress and performance reporting framework	<p>The Programme shall contribute to developing the activities at EU and Member State level to counter fraud and any other illegal activities affecting the EU's financial interests, including the fight against cigarette smuggling and counterfeiting. It shall contribute to an increased transnational cooperation and coordination at Union level, between Member States' authorities, the Commission and OLAF. It shall also contribute to an effective prevention of fraud, corruption and other illegal activities against the EU's financial interests. This shall be achieved by providing technical assistance to MS' authorities in order to strengthen their operational and investigative capacity and by funding training, conferences and seminars for law enforcement professionals to improve their skills and to allow for the exchange of knowledge and best practices. The support consists of grants as well as procured services made available to Member States.</p> <p>At the end of the action, the beneficiaries of grants will submit a final technical report and, in the case of technical assistance grants, a final implementation report (the templates for these documents are included in the grant agreement) in which they present its impact and results. Based on the final reports received the Commission will present an annual report to the EP and the Council on the 2014 implementation of the programme, as stipulated by Art. 11(1) of the draft Hercule III Regulation. The report will describe how each of the Programme's operational objectives was achieved for 2014 and the results and impact of the actions co-financed.</p>						
General and specific objectives, indicators, milestones and targets							
GENERAL OBJECTIVE 1 etc.*	To protect the financial interests of the Union thus enhancing the competitiveness of the Union's economy and ensuring the protection of the taxpayers' money. The definition and collection of information for impact indicators would be disproportionate to the modest size of the programme.						
Impact indicator:	Baseline	Milestone 2017				Long term target 2020	
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPECIFIC OBJECTIVES	The specific objective of the programme is to prevent and combat fraud and any other illegal activities affecting the Union's financial interests. The Regulation provides that the achievement of this objective shall be monitored through four key performance indicators (Article 4 of the draft Hercule III Regulation). Two indicators for monitoring the achievement of specific objectives have been elaborated below in the light of the operational objectives in the Regulation.						
Indicator 1:	The number of cigarettes in the EU that were seized with equipment purchased under the Hercule III actions, expressed as percentage of the overall number of cigarettes seized within the Member States, as referred to in Art.4 first indent of the draft Hercule III Regulation.						
Baseline	Milestones						Target 2020
	2014	2015	2016	2017	2018	2019	
0%	1%	1.5%	2%	3%	3.5%	4%	5%
Indicator 2:	The number and type of training activities funded under the Hercule III programme, including the amount of specialised training, as referred to in Art.4 fourth indent of the draft Hercule III Regulation.						
Baseline	Milestones						Target 2020
	2014	2015	2016	2017	2018	2019	
25	25	25	25	25	25	25	25
Monitoring and reporting arrangements							
Describe how progress on achieving milestones and targets of each	Beneficiaries of grants have to submit a final technical report and a final implementation report (one year after the final payment) in which information shall be provided on tangible results achieved with the equipment purchased with funding from the						

objective is tracked	programme. Participants to trainings, conferences and seminars will be requested to fill in a questionnaire to measure the overall satisfaction and relevance of the event for their professional activities.						
Actors involved in monitoring (e.g. Member States, stakeholders)	Grant beneficiaries (national and regional administrations); participants in Conferences, seminars, trainings, etc.						
Issues covered in subsequent monitoring reports (e.g. implementation aspects, immediate results)	Information on the number of cigarettes seized with the help of e.g. x-rays scanners or other equipment purchased under the Hercule III actions; the number of arrests and persons convicted as the result of operations that were made possible with the Hercule III funded equipment; seizures of cash, drugs, etc. The Commission will submit an annual report to the EP and the Council on the implementation of the Programme (Art. 11(1)) of the draft Hercule III Regulation.						
Planned use of information (e.g. AARs, spending programme adjustments)	Input for the impact indicators for the operational objectives; input for the annual implementation reports; input for the mid-term evaluation.						
Frequency of reporting (e.g. annual, or every 2 years)	Annual						
Indicate the availability of reports in the timeline	2014 yes	2015 yes	2016 yes	2017 yes	2018 yes	2019 yes	2020 yes
Evaluations of the spending programme							
Per evaluation indicate: 1. Deadline (e.g. 2017) 2. Type (e.g. mid-term or ex-post, incl. ex-post evaluations of previous MFF period!) 3. Main issues addressed (e.g. effectiveness, efficiency, EU added value) and coverage (e.g. spending programme, priorities, themes) 4. Planned use of evaluation results (e.g. remedial action, preparation of a successor) 5. Actors involved	1. 31 Dec. 2017/31 December 2021 2. mid-term/final 3. Achievement of the objectives of all the actions, results and impacts, the effectiveness and efficiency of the use of resources and its added value. It shall also address the scope for simplification, the internal and external coherence, the continued relevance of all objectives as well as the contribution of the actions to the Union's priorities of smart, sustainable and inclusive growth. Moreover, it shall take account of the final evaluation of the Hercule II report. 4. The evaluation shall be used in view of a decision on the renewal, modification or suspension of the actions. 5. Beneficiaries in the Member States: national and regional administrations for Technical Assistance; NPO, Universities and participants for training actions.						

*The part on objectives, milestones follows the structure of the Programme Statements

Table 5.1 (mandatory)

Title spending programme:	Exchange, assistance and training programme for the protection of the euro against counterfeiting (Pericles 2020)						
Summary, general description of the logic and sequence of the overall progress and performance reporting framework	The Programme shall actively encourage and entail an increase in transnational cooperation for the protection of the euro inside and outside the Union and with the Union's trading partners, and with attention also being paid to those Member States or third countries that have the highest rates of euro counterfeiting, as shown by the relevant reports issued by the competent authorities; this cooperation shall contribute to the greater effectiveness of these operations through the sharing of best practice, common standards and joint specialised training.						
General and specific objectives, indicators, milestones and targets							
GENERAL OBJECTIVE 1 etc.*	To prevent and combat counterfeiting and related fraud thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances						
Impact indicator:	Baseline	Milestone 2017				Long term target 2020	
n.a.	n.a.	n.a.				n.a.	
SPECIFIC OBJECTIVE 1 etc.	To protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and supplement the measures undertaken by the Member States through a regular cooperation, also including third countries and international organisations						
Indicator:	Number of counterfeit detected						
Baseline	Milestones						Target 2020
(2011) 606 000 notes 157 000 coins	2014 n.a.	2015 n.a.	2016 n.a.	2017 +/- 5% compared to 2011	2018 n.a.	2019 n.a.	Keep counterfeits under control in an average +/- 5% compared to 2011
Monitoring and reporting arrangements							
Describe how progress on achieving milestones and targets of each objective is tracked	Sources: annual reports from Member States Competent National Authorities, ECB and Europol. All relevant stakeholders are invited to provide timely information on the number of counterfeit detected. The implementation of Pericles 2020 is regularly discussed at the meetings of the Euro Counterfeiting Expert Group (ECEG). The ECEG meets 3 times per year.						
Actors involved in monitoring (e.g. Member States, stakeholders)	Member States' Competent National Authorities, ECB, Europol.						
Issues covered in subsequent monitoring reports (e.g. implementation aspects, immediate results)	Reports on counterfeit euro banknotes and coins seized before and after circulation.						
Planned use of information (e.g. AARs, spending programme adjustments)	Preparation of annual strategy papers in order to adapt and focus training priorities.						
Frequency of reporting (e.g. annual, or every 2 years)	Annual information to EP and Council; Continuous updates to Member States, ECB and Europol at the ECEG meetings.						
Indicate the availability of reports in the timeline	2014 yes	2015 yes	2016 yes	2017 yes	2018 yes	2019 yes	2020 yes
Evaluations of the spending programme							
Per evaluation indicate:							
1. Deadline (e.g. 2017)	1. 2017/2021						
2. Type (e.g. mid-term or ex-post, incl. ex-post)	2. mid-term/final						

<p>evaluations of previous MFF period!) 3. Main issues addressed (e.g. effectiveness, efficiency, EU added value) and coverage (e.g. spending programme, priorities, themes) 4. Planned use of evaluation results (e.g. remedial action, preparation of a successor) 5. Actors involved</p>	<p>3. effectiveness/efficiency/EU value-added/relevance sustainability/coherence full coverage of implemented actions 4. The evaluation shall be used in view of a decision on the renewal, modification or suspension of the measures. 5. National and European stakeholders (Member States' Competent National Authorities, ECB and Europol)</p>
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*The part on objectives, milestones follows the structure of the Programme Statements

ANNEX: COMMUNICATION STRATEGY

Summary of the OLAF Communication strategy

1. Policy and operational context

In times of budgetary constraints for the EU, explaining to the public that OLAF protects the EU's financial interests is a key priority. OLAF can contribute to maintaining a high reputation for the EU Institutions. For these reasons it is important for OLAF to strengthen its communication efforts and reach out to a broad spectrum of audiences. Our communication actions will be geared towards showing our target audiences how OLAF can contribute to a sound financial administration of the EU budget and why a policy of zero tolerance to fraud is essential. Such communication activities will also contribute to fraud prevention and deterrence.

2. Target audiences

OLAF reaches out to citizens through EU and national-based media, an up-dated web site and participation in public events such as the annual Open Doors organised by the European Commission. It also maintains a fruitful dialogue with all the EU Institutions, EU and national public authorities, other enforcement agencies and international partners. In particular, our dialogue with OLAF partners can help raise awareness of OLAF activities at national level.

3. External communication objectives

Reaching a broad spectrum of audiences to raise awareness of OLAF's competences and activities;

Proactive engagement with the media/external audiences in order to raise awareness of OLAF activities and foster deterrence;

Encourage cooperation and raise the trust/level of confidence between OLAF and other EU institutions, Member State and Third Country authorities. Provide them with support and updated information for sharing with their stakeholders;

Increase awareness among selected audiences about OLAF's role and tasks through new communication materials, including social media and audio-visual tools.

4. Internal communication objectives

- Build commitment and involve staff in the DG's and the Commission's mission and objectives;
- Enable cooperation and increase efficiency within OLAF;
- Enable OLAF colleagues to be effective ambassadors of the office in order to contribute to the positive image of OLAF.

ANNEX: THE INVESTIGATION POLICY PRIORITIES OF THE OFFICE²³

Priorities for investigation in 2014²⁴

Based on an analysis of information available to OLAF, including key documents issued by stakeholders, the priorities for the investigations will be:

1. Cases with indications of fraud and/or corruption in relation to public procurement²⁵ for infrastructure networks²⁶;
2. Cases of fraud concerning specific projects (co)financed by the European Social Fund, the European Regional Development Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and Pre-accession Funds²⁷ and in which action by the Member States or Candidate Countries is deemed to be insufficient²⁸;
3. Cases of fraud indicating possible abuses of origin rules and tariff classification in both preferential and non-preferential trade regimes in order to evade payment of conventional customs duty and anti-dumping duties²⁹;
4. Cases of fraud involving smuggling of cigarettes and tobacco into the EU^{30 31} in particular via maritime transport and along the EU Eastern border^{32 33}.

²³ As foreseen in Regulation No 883/2013, Article 17(5) the Investigation Policy Priorities have been forwarded to the Supervisory Committee.

²⁴ In line with Article 5(1) of Regulation No 883/2013 on the opening of investigations, the decision by the Director-General whether or not to open an investigation shall take into account the investigation policy priorities and the annual management plan of the Office.

²⁵ Commission Report on the Protection of the European Union's financial interests – Fight against fraud; 2012 Annual Report (COM(2013) 548 final).

²⁶ Study financed by the European Commission (OLAF): *Identifying and Reducing Corruption in Public Procurement in the EU*, conducted by PricewaterhouseCoopers and Ecorys, 2013.

²⁷ Annual Report concerning the Financial Year 2012, adopted by the European Court of Auditors on 5 September 2013, published in the Official Journal of the European Union (2013/C 331/01, 14.11.2013); in particular, chapters 3, 4, 5, 6 and 7.

²⁸ Annual Activity Reports for 2012 of DGs Regional and Urban Policy; Agriculture and Rural Development; and Employment, Social Affairs and Inclusion.

²⁹ See in this context: European Parliament Resolution of 3 July 2013 on the Annual Report 2011 on the protection of the EU's Financial Interests – Fight against fraud (A7-0197/2013 / P7-TA (2013) 0318) (From now on: "EP Resolution"), paragraphs 16-31.

³⁰ Commission Communication on stepping up the fight against cigarette smuggling and other forms of illicit trade in tobacco products COM(2013) 324 and Action Plan SWD(2013) 193.

³¹ EP Resolution, paragraphs 36-40.

³² Commission Staff Working Paper (SEC(2011)791 final) - Action Plan to fight against smuggling of cigarettes and alcohol along the EU Eastern Border accompanying the Communication on the Commission Anti-fraud Strategy (COM(2011)376 final).

³³ High-Level Seminar on Customs Cooperation at the Eastern Border of the EU, Druskininkai, 24-25 October 2013 (Final Declaration).