



EUROPEAN  
COMMISSION

Brussels, 31.5.2018  
SWD(2018) 281 final

**COMMISSION STAFF WORKING DOCUMENT**  
*Accompanying the document*

**Proposal for a**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the ‘Pericles IV programme’)**

{COM(2018) 369 final}

## Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
ECB	European Central Bank
TFEU	Treaty on the Functioning of the European Union
ETSC	European Technical and Scientific Centre
DG ECFIN	Directorate General for Economic and Financial Affairs
SOCTA	Serious Organised Crime Threat Assessment
ECEG	Euro Counterfeiting Experts Group
CCEG	Coin Counterfeiting Experts Group
CNAs	Competent National Authorities
GAF	Group Anti-Fraude

## 1. PROBLEM ANALYSIS AND NEEDS ASSESSMENT

### 1.1. Scope and context

The euro is, as the single currency of the Union, a core European interest, the integrity of which needs to be protected in all its dimensions. Counterfeiting of the euro poses a true problem for the Union and for its institutions. Counterfeits harm citizens and businesses that are not reimbursed for counterfeits even if received in good faith. More generally, it impacts the legal tender status of and trust of citizens and businesses in genuine euro notes and coins. Thus, a solid protection of the euro against counterfeiting forms an essential component of security as one of the focal points of EU action, as noted in the reflection paper on the future of the EU's finances.

The current "Pericles 2020" programme is specifically dedicated to the protection of euro banknotes and coins against counterfeiting<sup>1</sup>. The Programme is an exchange, assistance and training programme. It supports the pillars on which the Commission's anti-counterfeiting policy is based: prevention, repression and cooperation. The programme was established by **Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014**<sup>2</sup>. **Its application was extended to the non-participating Member States by Council Regulation (EU) 2015/768 of 11 May 2015**<sup>3</sup>.

Since the introduction of the euro as a single currency, there is the need to protect the euro against counterfeiting at EU level and to have a specific programme dedicated for this purpose. The euro entails, as the Unions' single currency, a high risk of counterfeiting which in turn has the potential to undermine the trust in the euro. Therefore the Pericles programme was established in 2001, which is the predecessor of the Pericles 2020 programme. The legal basis of the programme for the euro area Member States is Article 133 of the TFEU. The Pericles 2020 It is the only programme at the EU and international level exclusively dedicated to the protection of the euro.

This ex-ante evaluation concerns the initiative to continue the Pericles 2020 programme, beyond 2020.

#### **The status of counterfeiting**

According to the latest bi-annual information on euro banknotes prepared by the ECB , 363,000 counterfeit euro banknotes were withdrawn from circulation in the second half of 2017. This corresponds to an increase of 9.7% when compared with the first half of 2017 and 2.8% more than in the second half of 2016. According to the latest Europol Serious Organised Crime Threat Assessment, the €20 and €50 notes continued to be the most counterfeited banknotes in the first half of 2017. Together, they accounted for 85% of the counterfeits<sup>4</sup>. According to the latest Europol data, approximately 548,191 counterfeit banknotes were seized by the police in 2016. The total face value of these banknotes is approximately 30 million euro. 19 print shops and 3 illegal mints were dismantled within and outside the EU in 2016. Over the last years, an increasing number of deceptive counterfeit banknotes have been found, with security features (such as holograms) from China.

The quality of counterfeit coins continued to improve in 2016, as demonstrated by an increasing number of counterfeits having electromagnetic properties close to the specification. In this respect, 12 new 2-euro variants and 1 1-euro variant of already existing common classes, were registered. They all have quite deceptive electrical or magnetic properties. A number of actions were carried to define the extent of the problem and to improve the detection by the coin-processing machines.

When compared to 2015, 2016 marks an increase in two (2-euro and 50-cent) of the three higher denomination coins. In particular, 2 euro denomination counterfeits increased by 4.35 %, 1 euro decreased by 6.33 % and 50 cent increased by 0,84 % in comparison to 2015. In particular, in 2016 the 50 cent denomination maintains the second position, from a quantity point of view, (16.87 %) continuing the trend of the last three years. The 2 euro remains by far the most counterfeited denomination, constituting 87.10

<sup>1</sup> It replaces the Pericles programme that was established in 2001 and ran during the period 2002-2013.

<sup>2</sup> Regulation (EU) No 331/2014 of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (OJ L 103, 5.4.2014, p. 1). That Regulation repealed Council Decisions 2001/923/EC, 2006/75/EC, and 2006/849/EC.

<sup>3</sup> Council Regulation (EU) 2015/768 of 11 May 2015 extending to the non-participating Member States the application of Regulation (EU) No 331/2014 of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (OJ L 121, 14.5.2015, p. 1).

<sup>4</sup> ECB, press release, 26 January 2018.

% in terms of value (up from 86.19 % in 2015). Overall, 2 144 633 counterfeit euro coins have been removed from circulation since the introduction of euro coins in 2002 and 2016<sup>5</sup>. When compared to 2016, 2017 marks an increase in two (2-euro and 50-cent) of the three higher denomination coins. In particular, 2 euro denomination counterfeits increased by 8.58 %, 1 euro decreased by 5.49 % and 50 cent increased by 10.18 % in comparison to 2016. Furthermore, in 2017 the 50 cent denomination maintains the second position, from a quantity point of view (17.36 % of the total) continuing the trend of the last three years. The 2 euro remains by far the most counterfeited denomination, constituting 87.9% in terms of value (up from 87.10 % in 2016). Overall, 2 305 547 counterfeit euro coins have been removed from circulation since the introduction of euro coins in 2002 until 2017.

With respect to the criminal phenomenon of counterfeiting, the long-term view held by Europol, Member State national experts, the Commission and the European Central Bank, confirms the growing interest in euro counterfeiting of organised crime groups located outside EU. The involvement of organised crime groups continues to be a characteristic of this crime and contributes to the maintenance of a high level criminal threat. Moreover, 2017 Serious Organised Crime Threat Assessment (SOCTA) states that together with an increased sale of counterfeit on the Darknet, the trafficking of counterfeits is also increasing. Trade on the Darknet market places has no country borders and affects countries within as well as outside the EU<sup>6</sup>.

#### **Interaction with other instruments/programmes**

Pericles 2020's distinct transnational and multi-disciplinary<sup>7</sup> approach and focus on capacity-building to protect the euro makes it unique among EU-level programmes. Two Commission programmes may be viewed as complementary. DG HOME's *Police instrument of the Internal Security Fund (ISF Police)* covers the prevention of and fight against crime in general, but only includes (indirect) efforts to prevent or combat euro (or currency) counterfeiting if linked to other types of crimes prioritised by the instrument (namely terrorism, organised crime, cybercrime, and environmental crime). Furthermore, DG NEAR's *Technical Assistance and Information Exchange (TAIEX)* instrument has supported activities related to euro counterfeiting, but these activities are of a different scale, duration and nature compared to Pericles 2020 actions and are often in support of accession negotiations. Several national and third country authorities have confirmed this effective complementarity<sup>8</sup>. Both Commission programmes are also under consideration for renewal under the next Multi-annual Financial Framework.

## **1.2. Lessons learned from previous programmes**

### **Midterm evaluation of the Pericles 2020 programme**

A mid-term evaluation of the programme was carried out by an independent contractor on the basis of Art 13(4) of Regulation (EU) No 331/2014. The Commission adopted Communication COM(2017) 741 to the European Parliament and to the Council on the results of the Mid-Term Evaluation of the programme on 6 December 2017, in which **it shares the conclusion that the programme should continue until its natural expiry in 2020, supports the continuation of the programme beyond 2020 given its EU added value, its long-term impact and sustainability, and concurs with the assessment of the Evaluation on the continuation of the programme as a standalone programme beyond 2020.**

The midterm evaluation of the Pericles 2020 programme<sup>9</sup> concludes that all findings converge towards an unambiguously positive overall assessment. In particular, it notes that<sup>10</sup>:

<sup>5</sup> ETSC, The protection of euro coins in 2016, Situation as regards euro coin counterfeiting and the activities of the European Technical & Scientific Centre (ETSC) Based on Article 4 of Commission Decision C (2004) 4290 of 29 October 2004.

<sup>6</sup> Europol (2017), Serious and Organised Crime Threat Assessment.

<sup>7</sup> Police, judicial authorities, national central banks, technical analysis laboratories and scientific institutions can all be included in Pericles 2020 actions.

<sup>8</sup> Commission Staff Working Document SWD(2017) 443 final Accompanying the document Communication from the Commission to the Council and the European Parliament on the mid-term evaluation of the Programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles 2020' Programme), 6 December 2017.

<sup>9</sup> Communication COM(2017) 741 final - Communication from the Commission to the Council and the European Parliament on the mid-term evaluation of the Programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles 2020' Programme), 6 December 2017.

- The programme's **EU added value** lies essentially in its ability to support forms of international cooperation that are beyond the reach of national authorities. As an example, all EU stakeholders concur that initiatives such as the establishment of a dialogue (however initial and preliminary) with Chinese authorities or the setting up of anti-counterfeit units in Latin America would not have been feasible without the support provided by the programme. In a similar vein, a discontinuation of the programme would have serious detrimental effects, de facto making it impossible to perform the same type of transnational activities on a comparable scale
- In terms of **coherence**, the evaluation highlights that Pericles 2020 activities can be regarded as fully complementary and additional to national euro protection initiatives, without overlaps. Pericles 2020 activities also effectively complement other EU and international euro protection initiatives. Several Competent National Authorities (CNAs) and third country authorities have been involved in other euro protection initiatives run by the European Central Bank (ECB), Europol, Interpol or other Commission-managed programmes (e.g. TAIEX in South Eastern Europe). Stakeholders regard Pericles 2020 as fairly unique; effectively complementing other initiatives. .
- In terms of the programme's **relevance**, the general and specific objectives are relevant. All stakeholders concur that the strengthening of institutional capacity in national authorities, Pericles 2020's 'core business', is regarded as an essential element to safeguard the euro. Despite the fact that the phenomenon seems to be currently under control<sup>11</sup>, counterfeiting continues to be a major threat to the euro. The increased number of counterfeit banknotes, the rise of 'sophisticated' counterfeits, the increasing availability of technology and the interest in counterfeiting of Organised Crime Groups require our continuous attention<sup>12</sup>. All stakeholders concur that vigilance must remain high. In a similar vein, the strengthening of institutional capacity in national authorities, which constitutes the programme's 'core business', is regarded as an essential element to safeguard the euro. Regarding EU MS and particularly Euro area MS, most Competent National Authorities have reached a good, sometimes excellent, level of preparedness, but some gaps still exist or may emerge due to the evolving nature of the threat. Most stakeholders concur that institutional strengthening needs are still substantial.
- Regarding the **effectiveness**, Pericles 2020 actions were typically implemented as planned and achieved the intended outputs, and evidence suggests that the outputs delivered did translate into tangible outcomes<sup>13</sup>. The programme contributed to the setting up of institutions and the adoption of legislation aimed at improving euro protection, and supports investigations in counterfeiting cases. The quality of support provided is also high. Participant feedback provided immediately after events shows a high degree of appreciation, with 97% expressing a positive or highly positive assessment. More importantly, survey results show that a large share of participants claim to have learned about best practices, acquired useful skills, and established contacts with colleagues in other countries. The quality of actions is also judged positively by the authorities involved.
- With regard to the programme's **sustainability**, available evidence suggests that the improvements in institutional capabilities resulting from Pericles 2020 actions are likely to have a lasting effect. In order to further support the long-term effects of the programme, it is suggested in the mid-term evaluation to continue the Programme beyond 2020.
- Finally, in terms of the programme's **efficiency**, the institutional arrangements established for the implementation of the programme are well suited to the purpose. Administrative procedures are broadly appropriate and do not constitute an appreciable obstacle for participation in the programme. The current level of EU contribution is also broadly appropriate. According to the evaluation, the funds deployed for the implementation of Pericles 2020 actions are used judiciously, yielding a good value for money. When grant applications are selected, cost-effectiveness considerations play a major role, with beneficial effects on unit costs. Since it is a small programme, Pericles 2020 shows a high incidence of overhead costs. Yet given the specific focus on the protection of the euro, merging with another EU programme to achieve economies of scale would in all likelihood lead to a decline in the effectiveness of euro protection, potentially offsetting any financial savings.

<sup>10</sup> Commission Staff Working Document SWD(2017) 443 final Accompanying the document Communication from the Commission to the Council and the European Parliament on the mid-term evaluation of the Programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles 2020' Programme), 6 December 2017.

<sup>11</sup> Annex 1: Law Enforcement Action table update 2017.

<sup>12</sup> Annex 2: Counterfeiting statistics as part of the Pericles Annual Report for 2016.

<sup>13</sup> Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Final Report, 27 June 2017, p. 43-56.

### Suggestions for improvement made in the midterm evaluation

- The need for encouraging greater participation of Competent National Authorities<sup>14</sup>: consideration should be given to the establishment of contacts with national decision makers to ensure that the opportunities offered by the programme are well understood.
- The possibility of submitting applications and other relevant documentation online should be explored.
- A possible modification of the programme's key performance indicators to include qualitative indicators is recommended (please see section 6 for a detailed overview).

### Evaluation of the previous programme

An internal evaluation report of the Pericles programme was adopted in June 2013<sup>15</sup> under Art. article 13(3a) of Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC. The evaluation positively assessed the programme's European and overall added value and its complementarity and coherence with other existing activities at Member State and European level. As for suggestions for improvement, the evaluation noted that a multi-annual strategy for the programme with a clearly defined timeframe was not in place and the existing annual reporting did not provide sufficient information on the results achieved by the programme. Based on this, an (multi)annual Pericles strategy paper was introduced for the Pericles 2020 generation of the programme, which allows the programme to respond to new priorities or threats. The evaluation also concluded that the sustainability of the results achieved by the programme will depend significantly on the possibility to continue financing similar activities to maintain the existing level of cooperation among the competent authorities and a continuous training of the staff concerned as well as to respond to new threats and needs. Turnover of staff concerned in the competent authorities (particularly in third countries) also represents a risk for the sustainability of the impact of Pericles actions. The continuation of the Pericles programme ensured the sustainability of the results achieved by the previous programme.

## 2. EU ADDED VALUE

### EU added value and legal basis

The protection of the European single currency as a public good has a clear transnational dimension, and therefore euro protection goes beyond the interest and the responsibility of individual EU Member States. Considering the cross-border circulation of the euro, the deep involvement of international organised crime in euro counterfeiting (production and distribution), national protection frameworks need to be complemented in order to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks.

According to the midterm evaluation of the programme, ***"The programme's added value lies essentially in its ability to support forms of international cooperation that are beyond reach for national authorities, due to its unique transnational dimension"***<sup>16</sup>. The programme has ***clearly promoted transnational and cross-border cooperation*** within the EU as well as internationally ensuring a global protection of the euro against counterfeiting, and has in particular, taken responsibility for countering specific emerging threats (such as the deep/dark web) and the (challenging) relationship with certain countries (for instance China) as it is difficult for individual Member States to effectively address these threats on their own. Initiatives such as the establishment of a dialogue with Chinese anti-counterfeiting authorities<sup>17</sup> and support to euro protection activities in Latin America<sup>18</sup> would not have been feasible without the programme. Research on innovative security features of second generation euro coins also falls into this category of transnational themes.

Competent national authorities confirm that they ***would 'definitely not' or 'probably not' have been able to carry out the implemented transnational actions without Pericles 2020 support*** and would not be able to implement similar actions in the future should the programme be discontinued, since national resources

<sup>14</sup> The Competent National Authorities are the authorities designated by the Member States for the fight against counterfeiting, and include Police, judicial authorities, national central banks and mints. The full list can be found in the Official Journal (2015/C 264/02).

<sup>15</sup> OLAF, Evaluation of the Pericles Programme, Final Report, Commission Staff Working Document SWD(2013) 304 final, June 2013.

<sup>16</sup> Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Final Report, 27 June 2017, p. 64-70.

<sup>17</sup> To address the threat of counterfeited security features (such as holograms) of euro banknotes.

<sup>18</sup> To address euro counterfeiting hotspots in Colombia and Peru.

are limited and individual Member State actions would be much more national in focus. In conclusion, the programme fulfils the subsidiarity and proportionality dimensions of EU funding priorities.

The Pericles programme for euro-area Member States will be based on Article 133 Treaty on the Functioning of the European Union (TFEU), as it lays down measures necessary for the use of the euro as the single currency. The application of the Pericles programme will be extended to the Member States that have not adopted the euro as their single currency, through a proposal for a parallel Regulation based on Article 352 TFEU.

### **3. POLICY AND MANAGEMENT OBJECTIVES**

#### **General objective**

The general objective of the programme will be 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**

The specific objective of the programme will be to protect euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States and assisting the competent national and Union authorities in their efforts to develop among themselves and with the Commission a close and regular cooperation and an exchange of best practice, where appropriate including third countries and international organisations.

#### **MFF objectives**

The cross-cutting MFF objectives of flexibility, coherence and synergies, simplification and focus on performance will be addressed on an annual basis through the programme's annual work programme.

#### **Simplification**

The midterm evaluation of the Pericles 2020 programme suggests, as simplification measure for the continuation of the programme, to make available the possibility of submitting applications and other relevant documentation online. Furthermore, to simplify the financial implementation of Pericles 2020 grants, a unit cost for subsistence<sup>19</sup> has been introduced in 2017.

#### **Encouraging differentiation of beneficiaries of the programme**

The Commission concurs with the assessment of the mid-term evaluation that a limited number of Competent National Authorities (hereafter: CNA) apply for funding under the programme, although participation in the programme is more diversified<sup>20</sup>. In particular, Italy, France and Spain are the most frequent implementers of the Programme's actions. These countries, together with Germany, account for approximately three-quarters of all counterfeit euros detected in circulation and therefore regard the problem of euro counterfeiting with greater concern than other Member States. Applications for funding under the programme from CNAs of other Member States are sometimes limited due to lack of personnel or lower prioritisation. Moreover, the Evaluation noted that some CNAs are no longer operational or are only nominally involved in euro protection activities<sup>21</sup>.

The Commission is taking steps to encourage greater CNA participation through a more promotional approach in its experts meetings such as the ECEG, CCEG and the Council's GAF. This has led to a growth in first-time CNA applicants over the past two years with CNAs in Bulgaria, Austria, Portugal and

<sup>19</sup> A unit cost for the daily subsistence allowance is intended to cover subsistence expenses for a given country (lunch and dinner, local transportation and other personal expenses).

<sup>20</sup> COM(2017) 345 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles 2020 programme for the protection of the euro against counterfeiting in 2016, 29 June 2017.

<sup>21</sup> Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Final Report, 27 June 2017, p. 60-62.

Romania applying for funding for the first time. For the future programme, the Commission shall continue to take steps to encourage greater participation of the Member States CNA's in the programme. In particular, the annual work programmes will continue to include the possibility of a 90% co-financing rate for first time applicants or applicants that have not applied in the previous 3 years to the applicable call for proposals.

#### **Continuing threats and priorities**

With the use of an annual Pericles strategy paper, identifying both emerging and recurrent threats and priorities, the programme will need to be able to continue to respond to these threats and priorities in a flexible and effective way. Current threats (based on the Pericles strategy for 2018<sup>22</sup>) which the future programme will need to address include the distribution of counterfeits and high quality components on the internet and high quality euro coin counterfeits. As there is a significant risk of euro counterfeiting in certain third countries outside of the EU as well, the programme should also ensure high participation from third country authorities in its actions. Through the Pericles strategy paper, the programme shall also identify priority 'hotspots' and threats coming from outside the EU, such as the South-East of Europe, China, Colombia and Peru.

#### **4. CONTINUATION OF THE PROGRAMME BASED ON THE CURRENT PROGRAMME**

The present ex-ante evaluation calls for a continuation of the programme based on the current programme<sup>23</sup>. This implies maintaining the financial envelope of 7,7 mio EUR in current prices, as originally proposed by the Commission in 2011<sup>24</sup>.

The continuation of the current programme would ensure its continued effectiveness, notably by ensuring targeted Commission direct actions complementing Member States' actions, and would sustain the long-term effects of the programme as confirmed by its midterm evaluation. As explained, the high-level of EU added value of the programme is derived from its unique focus, reflected in its legal basis in Article 133 of TFEU, which along with its transnationality and multi-disciplinarity makes it stand out in relation to other EU programmes and national modes of action. Furthermore, the Commission / DG ECFIN<sup>25</sup> being in charge of both the direct management of the programme and the designing and implementation of EU policy and legislation for the protection of the euro, covering prevention, enforcement and cooperation, allows achieving an optimal degree of synergy. This guarantees the effective achievement of the objectives of the programme, since it links legislation and policy with the implementation of the programme. Participation of the Commission in nearly every action supports preparation and presentation of the EU legislative and policy dimensions.

##### **a. Beneficiaries**

Potential applicants to the Pericles programme are limited to the **Competent National Authorities of the Member States**, including law enforcement authorities, judicial authorities, national central banks and mints, for whom the implementation of a Pericles action is subsidiary to their professional tasks. They are officially appointed by Member States' governments and are included in the list of Competent National Authorities which is published in the Official Journal of the European Union, with the most recent list published in 2015 and including 94 authorities<sup>26</sup>. Together with representatives of the ECB and Europol, they are members of the **Euro Counterfeiting Experts' Group (ECEG)**, managed by the Commission. The group endorses a Pericles strategy on an annual basis (which includes the identification of emerging threats and priorities), discusses possible future Pericles applications and analyses the results of the Pericles events. The ECEG represents a key tool to coordinate the implementation of the Pericles strategy, to avoid duplications and to identify unaddressed priorities/threats.

<sup>22</sup> C(2018) 470 final, COMMISSION DECISION concerning the adoption of the work programme for 2018 of the Pericles 2020 Programme, ANNEX 1 – PART 2/2 update of the Pericles strategy for 2018.

<sup>23</sup> Regulation (EU) No 331/2014 of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (OJ L 103, 5.4.2014, p. 1).

<sup>24</sup> Proposal for a Regulation of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) /\* COM/2011/0913 final - 2011/0449 (COD) \*/.

<sup>25</sup> The President Elect of the Commission decided to centralise all activities related to the euro, including its protection against counterfeiting, within DG ECFIN.

<sup>26</sup> See Notice 2015/C 264/02 in the Official Journal: [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812(01)).



### **b. Actions to be funded**

The current programme provides, as defined in Article 8 of the regulation and under the conditions set out in annual work programmes, financial support for the following actions:

(a) exchange and dissemination of information, in particular through organising workshops, meetings and seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions. The exchange of information shall, inter alia, be targeted at:

- methodologies for monitoring and analysing the economic and financial impact of counterfeiting;
- operation of databases and early warning systems;
- use of detection tools with computer back-up;
- enquiry and investigation methods;
- scientific assistance, including monitoring of new developments;
- protection of the euro outside the Union;
- research actions;
- provision of specific operational expertise;

(b) technical, scientific and operational assistance, as appears necessary as part of the programme including in particular:

- any appropriate measure which establishes teaching resources at Union level, such as a handbook of Union legislation, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch or computer support applications, such as software;
- relevant studies with a multidisciplinary and transnational dimension, including research on innovative security features of the euro;
- development of technical support instruments and methods to facilitate detection actions at Union level;
- financial support for cooperation in operations involving at least two States when such support is not available from other programmes of European institutions and bodies;

(c) the purchase of equipment to be used by specialised anti-counterfeiting authorities for protecting the euro against counterfeiting.

### **c. Delivery mechanisms**

Due to the limited and public nature of potential beneficiaries, delivery mechanisms such as interest subsidies, guarantees, loans and financial instruments are not applicable.

Financial support under the current programme for eligible actions take the form of either:

- (a) grants('CNA-implemented actions'),; or
- (b) public procurement('direct actions').

The Commission makes use of 'direct actions' with an aim to complement the grant actions and therefore meet the highest number of emerging threats and priorities.

The co-financing rate for grants awarded under the programme cannot exceed 75 % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programmes, the co-financing rate cannot exceed 90 % of the eligible costs. These justified cases are specified in the annual work programme and are updated on a yearly basis.

The annual work programme indicates the budgetary allocation between grants and public procurement on an annual basis, and includes a 20% flexibility depending on the demand for grants and need for procured Commission actions<sup>27</sup>. Cumulative changes to the allocation to the specific actions referred to in the annual work programme not exceeding 20% of the total annual budget are not considered to be a substantial change within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the work programme.

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<sup>27</sup> Cumulative changes to the allocation to the specific actions referred to in the annual work programme not exceeding 20% of the total annual budget are not considered to be a substantial change within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the work programme.

## 5. RESULTS AND IMPACTS

The preferred policy solution is to continue the programme based on the current programme with a constant financial envelope has been estimated at (7,7 million EUR<sup>28</sup>) in line with the current MFF programme<sup>29</sup>.

### Expected results:

The beneficiaries targeted by the proposal will be exclusively the competent authorities of Member States for the protection of the euro. Target groups for the action of the programme will be all staff in public and private sector related to the protection of the euro.

Expected results would comprise:

- positive impact on national and cross-border actions for prevention and repression of euro related counterfeiting and fraud;
- possibility for the competent authorities of Member States to obtain support in their efforts to achieve and maintain a high and equivalent level of protection of the euro banknotes and coins;
- benefit for relevant staff from an appropriate dissemination of general and specific knowledge and the development of cooperation and dedicated networks for the protection of the euro banknotes and coins;
- assistance to Member States in improving their institutional and legal framework to a harmonised high standard for the protection against currency counterfeiting and related fraud.
- assistance to third countries in which there is an active and substantial threat of euro counterfeiting, in improving their institutional and legal framework to a harmonised high standard for the protection against currency counterfeiting and related fraud.

### Expected impact:

The following impacts are expected if the programme is continued:

- increased number of people trained at national level;
- increased quality of trainings by adding an international and multidisciplinary dimension;
- increased awareness of the need to protect the euro;
- reinforced framework for the protection of the euro;
- establishment of a training framework complementary and additional to the national trainings;
- direct impact on operational results, e.g. in the case of police activities, staff trained by Pericles gave its direct contribution to the most successful operations against euro counterfeiting;
- targeted and flexible support to Member States activities;

## 6. MONITORING AND EVALUATION

### Ex-ante monitoring and evaluation

- The programme will be implemented by the Commission in cooperation with the Member States, through regular consultations at different stages of the implementation of the programme, within the committee referred to in Regulation (EC) No 1338/2001, taking into account relevant measures undertaken by other competent entities, in particular the ECB and Europol. The Commission will prepare a Pericles strategy on an annual basis, which will be endorsed by the members of the Euro counterfeiting Experts Group. The Strategy will include continuing and emerging threats to the euro and priorities to address. The priorities of the Pericles strategy will be included in the annual work programme.
- The Commission will seek to ensure consistency and complementarity between the programme and other relevant programmes and actions at Union level when preparing the annual work programme.

### Ex-post monitoring and evaluation

<sup>28</sup> Based on a 7 year duration.

<sup>29</sup> This is on the basis of the current implementation rate of the programme which approaches a 100% consumption of its annual budget, reflecting a high demand for the programme, see Annual Activity Reports.

- The Commission shall provide annual information on the results of the programme to the European Parliament and to the Council, taking into account the key performance indicators set out below. All participating countries and other beneficiaries shall provide the Commission with all the data and information necessary to permit the monitoring and evaluation of the programme.
- An 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 programme implementation.  
At the end of the implementation of the programme, but no later than two years after the end of the budgetary period (2021-2027), a final evaluation of the programme shall be carried out by the Commission.
- The implementation of the programme will be regularly monitored through the Annual Activity Report and Programme Statements.

### **Key performance indicators**

The midterm evaluation recommended a possible modification of the programme's key performance indicators to include the following qualitative indicators:

- reinforced legal and institutional frameworks for the protection of the euro;
- the level and intensity of the interinstitutional cooperation established;
- the nature and scale of the dissemination activities undertaken;
- the frequency of utilisation of certain techniques or tools.

The Pericles 2020 programme currently uses a set of four specific quantitative performance indicators as laid down in the basic legal act: the number of (i) counterfeit detected, (ii) illegal workshops (print shops and mints) dismantled, (iii) individuals arrested, and (iv) penalties imposed. Despite the fact that the numbers for these indicators approach their targets, the primary challenge with some of the performance indicators is that the linkage with Pericles 2020 actions appears weak, as other external factors can influence the indicators, and they primarily measure the repression (and not the prevention) aspect of the phenomenon. Moreover, for indicators (iii) and (iv) it has been proven difficult to acquire the data and/or to adequately measure the indicator. Therefore, for the future programme, indicators (iii) and (iv) shall be replaced with a qualitative indicator which is measurable through the output of the implemented actions, thereby ensuring that there will be an effective performance framework in place (see point 2.2).

For the future programme, the implementation results for the specific objectives of the programme shall be monitored and measured through the following key performance indicators:

- level of counterfeit euro banknotes and coins (before and after circulation);
- number of counterfeit workshops dismantled;
- feedback received from participants in the actions financed by the programme.

The results of the key performance indicators shall be reported on an annual basis, and shall be included as part of the Pericles annual reports. The data and information for the key performance indicators shall be collected and measured in the following ways:

- the data for the level of counterfeit euro banknotes and coins (before and after circulation) shall be received from the European Technical and Scientific Centre (ETSC) for coins, and from the European Central Bank for banknotes;
- the data for the number of counterfeit workshops dismantled shall be received from the Member States' National Central Offices (NCO's) as part of the annual study on the effectiveness of action against euro counterfeiting;
- the data for the feedback received from participants to the actions financed by the programme shall be gathered after each Pericles action through evaluation forms to be filled out by each participant.

The targets for the key performance indicators against which success will be measured shall be the following:

- The target for the level of counterfeit euro banknotes and coins (before and after circulation) shall be for levels to remain within a range of +/- 5% (increase or decrease) compared to the baseline on an annual basis. The baseline shall be the level of counterfeit euro banknotes and coins in the year 2019.
- The target for the number of counterfeit workshops dismantled shall be for the number to remain within a range of +/- 5% (increase or decrease) compared to the baseline on an annual basis. The baseline shall be the number of counterfeit workshops dismantled in the year 2019.
- The target for the feedback received from participants in the actions financed by the programme

shall be that at least 90% of respondents to the Pericles action evaluation forms give a 'positive' or 'very positive' response to the question on the overall impression of the action.

# Annex 1: Procedural information

## 1. LEAD DG(S), DeCIDE PLANNING/CWP REFERENCES

This ex ante evaluation Staff Working Document and the related initiative falls under the responsibility of the Directorate-General for Economic and Financial Affairs

## 2. ORGANISATION AND TIMING

Work on the preparation of this initiative stated in XXX. This ex ante evaluation Staff Working Document was prepared with the involvement of the following services:

Directorate-General for Justice and Consumers

Directorate-General for Migration and Home Affairs

Directorate-General for Budget

Secretariat General

the Commission's Legal Service

The services were given the opportunity to provide written comments on the draft versions of the documents presented.

## 3. CONSULTATION OF THE REGULATORY SCRUTINY BOARD

According to the guidance note on the Preparation of the post-2020 Multiannual Financial Framework: finalisation of programme proposals, the proposal for the continuation of the Pericles 2020 programme falls under the list of 'Proposals requiring Ex-ante Evaluation in the Form of a Staff Working Document rather than Impact Assessment'. Ex-ante evaluations are not examined by the Regulatory Scrutiny Board.

## 4. EVIDENCE, SOURCES AND QUALITY

The Commission consulted widely for the preparation for this Staff Working Document. Evidence was gathered through multiple sources, including (mid-term) evaluations of the previous and current programmes, impact assessments of previous versions of the programme, annual reports on the implementation of the programme, reports of the Euro Counterfeiting Experts Group (ECEG) and stakeholder consultation (see Annex 2).

### Evaluations and impact assessments:

#### Independent mid-term evaluation of the Pericles 2020 programme under article 13(4) of Regulation (EU) No 331/2014:

Economisti Associati, Mid-Term Evaluation of the Pericles 2020 programme – Final Report, 27 June 2017

Communication COM(2017) 741 final - Communication from the Commission to the Council and the European Parliament on the mid-term evaluation of the programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles 2020' programme), 6 December 2017

Commission Staff Working Document SWD(2017) 443 final Accompanying the document Communication from the Commission to the Council and the European Parliament on the mid-term evaluation of the programme for exchange, assistance and training for the protection of the euro against counterfeiting ('Pericles 2020' programme), 6 December 2017

**Independent evaluation of the Pericles programme under article 13 (3a) of Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC:**

OLAF, Evaluation of the Pericles Programme, Final Report, Commission Staff Working Document SWD(2013) 304 final, June 2013

**Impact Assessment for the Pericles 2020 programme**

Commission Staff Working Paper SEC(2011) 1615 final – Impact Assessment accompanying the document proposal for a Regulation of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting, 19 December 2011

**Pericles (multi)annual reports**

COM(2017) 345 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles 2020 programme for the protection of the euro against counterfeiting in 2016, 29 June 2017

COM/2016/0419 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles 2020 programme for the protection of the euro against counterfeiting in 2015, 27 June 2016

COM/2015/0507 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles programme for the protection of the euro against counterfeiting in 2014, 19 October 2015

COM/2014/0550 final, Report from the Commission to the European Parliament and the Council concerning the implementation and the results of the Pericles programme for the protection of the euro against counterfeiting 2006 -2013, 5 September 2014<sup>30</sup>

**ECEG reports**

75th Meeting of the ECEG: Ares(2017)4638994 - 22/09/2017

74th Meeting of the ECEG: Ares(2017)3150985 - 23/06/2017

73rd Meeting of the ECEG: Ares(2017)700927 - 08/02/2017

72nd Meeting of the ECEG: Ares(2016)5942703 - 14/10/2016

71st Meeting of the ECEG: Ares(2016)2256088 - 13/05/2016

70th Meeting of the ECEG: Ares(2016)248627 - 18/01/2016

69th Meeting of the ECEG: Ares(2015)2578289 – 20/11/2015

68th Meeting of the ECEG: Ares(2015)2038289 - 13/05/2015

67th Meeting of the ECEG: Ares(2014)4147908 - 10/12/2014

66th Meeting of the ECEG: Ares(2014)3010217 - 15/09/2014

65th Meeting of the ECEG: Ares(2014)1081482 - 07/04/2014

**Pericles strategies**

C(2018) 470 final, COMMISSION DECISION concerning the adoption of the work programme for 2018 of the Pericles 2020 programme, ANNEX 1 – PART 2/2 update of the Pericles strategy for 2018

C(2016) 8778 final, COMMISSION DECISION concerning the adoption of the work programme for 2017 of the Pericles 2020 programme, ANNEX 1 – PART 2/2 update of the Pericles strategy for 2017

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<sup>30</sup> Under Art. 13 (3b) of Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC.

C(2016) 316 final COMMISSION DECISION concerning the adoption of the work programme for 2016 of the Pericles 2020 programme, ANNEX 1 – PART 2/2 update of the Pericles strategy for 2016

### **Euro counterfeiting statistics**

ECB, press release, 26 January 2018,  
<https://www.ecb.europa.eu/press/pr/date/2018/html/ecb.pr180126.en.html>

ECB, press release, 21 July 2017,  
<https://www.ecb.europa.eu/press/pr/date/2017/html/ecb.pr170721.en.html>

ECB, press release, 27 January 2017,  
<https://www.ecb.europa.eu/press/pr/date/2017/html/pr170127.en.html>

ECB, press release, 22 July 2016,  
<https://www.ecb.europa.eu/press/pr/date/2016/html/pr160722.en.html>

ECB, press release, 22 January 2016,  
<https://www.ecb.europa.eu/press/pr/date/2016/html/pr160122.en.html>

ECB, press release, 17 July 2015,  
<https://www.ecb.europa.eu/press/pr/date/2015/html/pr150717.en.html>

ECB, press release, 23 January 2015,  
<https://www.ecb.europa.eu/press/pr/date/2015/html/pr150123.en.html>

ECB, press release, 18 July 2014,  
<https://www.ecb.europa.eu/press/pr/date/2014/html/pr140718.en.html>

ECB, press release, 13 January 2014,  
[https://www.ecb.europa.eu/press/pr/date/2014/html/pr140113\\_1.en.html](https://www.ecb.europa.eu/press/pr/date/2014/html/pr140113_1.en.html)

ETSC, The protection of euro coins in 2016, Situation as regards euro coin counterfeiting and the activities of the European Technical & Scientific Centre (ETSC) Based on Article 4 of Commission Decision C (2004) 4290 of 29 October 2004

ETSC, The protection of euro coins in 2015, Situation as regards euro coin counterfeiting and the activities of the European Technical & Scientific Centre (ETSC) Based on Article 4 of Commission Decision C (2004) 4290 of 29 October 2004

ETSC, The protection of euro coins in 2014, Situation as regards euro coin counterfeiting and the activities of the European Technical & Scientific Centre (ETSC) Based on Article 4 of Commission Decision C (2004) 4290 of 29 October 2004

## Annex 2: Stakeholder consultation

The theme of the protection of the euro against counterfeiting and the MFF proposal on the continuation of the Pericles 2020 programme was included in the (clustered) Public consultation on EU funds in the area of security, for which the consultation period was 10 January 2018 - 9 March 2018. The consultation referred to the Pericles 2020 programme under question 6 (*Please let us know whether you have experience with one or more of the following funds and programmes*) and included several open questions which could be answered whilst referring to the Pericles 2020 programme or the protection of the euro against counterfeiting.

A total of 153 contributions were received from respondents, out of which 20 (13,07%) contributions referred to the Pericles 2020 programme under question 6 (*Please let us know whether you have experience with one or more of the following funds and programmes*). In light of the limited number of responses, in order to process the data, it was possible to make a qualitative assessment of the answers to the open questions of the 20 respondents referring to the Pericles 2020 programme. Apart from one respondent from the Bank of Montenegro, one respondent from Europol and one respondent from the European Central Bank, all respondents represent one of the Competent National Authorities of the Member States, including law enforcement authorities, judicial authorities, national central banks and mints, which are officially appointed by Member States' governments and are included in the list of Competent National Authorities which is published in the Official Journal of the European Union, with the most recent list published in 2015 and including 94 authorities<sup>31</sup>. These authorities are the potential applicants to the programme.

Regarding the programme's EU added value, 11 respondents underline the programme's important role as a mechanism for ensuring international cooperation, stating that *"Europe is speaking with one voice"*, that it *"brings together people from law enforcement, technical experts and judiciary which, especially for smaller countries would not be financially viable/possible"* and that *"considering that the euro is also used and counterfeited in countries outside the euro area and EU, Pericles is the only forum to facilitate the exchange of information with these stakeholders."* *Counterfeiting of the euro is a "European issue as the national authorities do not prioritise this"*

As for a need to modify or add to the objectives of the programmes/funds in this policy area, four respondents propose to maintain the level of funding as it is, while three respondents favour an increase in funds, with one respondent noting that *"the Pericles programme could see their funds strengthened in order to allow further development in the Chapter of Research and Development"*, while another notes that *"it would be desirable for all activities supported by an EU programme to be exempted from VAT"*. One respondent favours a more flexible administrative procedure for the application to the programme, and another stresses the need for more staff exchanges with third countries.

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<sup>31</sup> See Notice 2015/C 264/02 in the Official Journal: [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015XC0812(01)) .



## Annex 3: Evaluation results

### Mid-Term Evaluation of the Pericles 2020 Programme - SWD (2017) 443

#### Main findings based on the report by Economisti Associati of 27 June 2017, in the framework of the independent evaluation under article 13(4) of Regulation (EU) No 331/2014:

**Relevance.** All available evidence suggests that the general and specific objectives are relevant and are likely to remain so during the programme's life. Stakeholders concur that the strengthening of institutional capacity in national authorities, which constitutes Pericles 2020's 'core business', is regarded as an essential element to safeguard the euro.

**Effectiveness and Sustainability.** Pericles 2020 actions were typically implemented as planned and achieved the intended outputs. Actions were usually implemented in a timely manner, with marginal changes in the work plans; only one action out of 27 incurred significant delays, due to justified reasons. The number of participants in events was largely in line with expectations. The programme was successful in broadening its reach beyond the EU with two thirds of participants coming from non-euro countries, as well as beyond the 'traditional constituency' of law enforcement officers, with a significant increase in the participation of representatives of judiciary, but also monetary, authorities.

**Efficiency.** The analysis of programme's documentation and the comparison with documentation on other EU programmes suggest that the funds deployed for the implementation of Pericles 2020 actions are used judiciously. Cost-effectiveness considerations play a major role in the selection of actions to be financed, with beneficial effects on unit costs.

Pericles 2020 is a small programme and overhead costs, although limited in absolute terms, shows a high incidence. However, the programme is highly specific and its possible merging with other EU programmes to achieve economies of scale would in all likelihood lead to a decline in the effectiveness of euro protection actions, which in turn may well more than offset possible financial savings.

**Coherence and EU Added Value.** Feedback from stakeholders highlights that Pericles 2020 activities can be regarded as fully complementary and additional to national euro protection initiatives, without overlaps. Pericles 2020 activities also effectively complement other EU and international euro protection initiatives. Several Competent National Authorities (CNAs) 1 and third country authorities have been involved in other euro protection initiatives run by the European Central Bank (ECB), Europol, Interpol or other Commission-managed programmes (e.g. TAIEX in South Eastern Europe). They regard Pericles 2020 as fairly unique; effectively complementing other initiatives.

The programme's added value lies essentially in its ability to support forms of international cooperation that are beyond the reach of national authorities. As an example, all EU stakeholders concur that initiatives such as the establishment of a dialogue (however initial and preliminary) with Chinese authorities or the setting up of anti-counterfeit units in Latin America would not have been feasible without the support provided by the programme. In a similar vein, a discontinuation of the programme would have serious detrimental effects, de facto making it impossible to perform the same type of transnational activities on a comparable scale.

#### Conclusions and Recommendations

All the findings converge towards an unambiguously positive overall assessment, reflected in the feedback received from stakeholders including the ECB and Europol. There is room for small improvements, but from the evaluation it is clear that Pericles 2020 performs well in respect of all the six evaluation criteria informing this Evaluation. The recommendations of earlier assessments were properly followed up on and this contributed to improve performance.

**Relevance.** Continued Emphasis on Chinese counterfeiters and the internet is recommended. The risks posed by Chinese counterfeiters and by the internet have already been the subject of significant work under Pericles 2020; the two themes continue to rank quite high in the list of the 'new threats' identified by stakeholders and there is a keen interest in further activities aiming at strengthening contacts with relevant government bodies (China) and improving investigative approaches (deep/dark net).

**Efficiency-Fine Tune Administrative Procedures.** In the area of administrative procedures, two themes of potential improvement were identified: the (in)adequacy of daily subsistence rates used for CNAs-implemented actions and the possibility of submitting applications and other relevant documentation online.

**Effectiveness and Sustainability.** The Evaluation flags up the need for encouraging greater CNAs participation. Currently 11 CNAs from the MS most significantly affected by euro counterfeiting applied to the programme. However the potential exists to attract an increased number of applications from other CNAs Therefore consideration should be given to the establishment of contacts with high level decision makers to ensure that the opportunities offered by the programme are well understood. In addition, the Evaluation underlines that the sustainability of achieved results will depend significantly on the continuation of the programme as a standalone programme until its natural expiry and beyond 2020.

**Revise Performance Indicators.** The Evaluation underlines that the performance indicators currently in use are not fully aligned with the capacity building nature of Pericles 2020 activities. Therefore, consideration should be given to replacing or at least complementing the current indicators with qualitative ones that can more accurately capture the results of Pericles 2020 actions.

## **OLAF, Evaluation of the Pericles Programme, Final Report, Commission Staff Working Document SWD(2013) 304 final, June 2013**

**Main findings as noted in the SWD (2013) 304, in the framework of an independent evaluation under article 13 (3a) of Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC:**

**Overall performance of the programme.** The programme provides a clear European added value. The specific objectives of the programme are highly relevant to the achievement of its overall objective. The activities financed by the programme and the target groups involved are highly relevant to achieve its specific objectives. The transnational and multidisciplinary dimensions of the programme activities also represent a clear added value of the programme compared to activities carried out at MS and European level. Overall, the efficiency of the programme is satisfactory and the programme has been highly effective in contributing to the achievement of its specific objectives. The evaluation has identified some potential improvements which could enhance the overall efficiency and effectiveness of the programme.

**Relevance.** The specific objectives of the programme are highly relevant to the achievement of its overall objective of protecting the euro against counterfeiting. The target groups and activities financed by the programme are also, in general, highly relevant to the specific objectives and the programme resources have been used mainly to finance the activities with the highest relevance and for the most relevant target groups.

**European and overall added value of the programme.** The euro is the single currency shared by the 17 Member States of the euro area. It is also used at a large scale in international trading transactions and serves as an important reserve currency for third countries. The protection of the euro against counterfeiting is clearly therefore of European interest which goes beyond the interest of individual MS. Addressing the threats posed by criminal groups involved in the production and/or distribution of counterfeit euro and operating in different MS and third countries requires the cooperation among the competent authorities in the MS and with their counterparts in third countries. The programme facilitates this cooperation by providing technical and operational training, networking, dissemination and exchange activities to the staff of relevant competent authorities in the MS and third countries and, by so doing, it provides a clear European added value. The evaluation also showed that the activities implemented by a competent authority in one MS also address the needs of other competent authorities in the same or other MS. The combination of an European/international dimension of the programme, together with a multidisciplinary dimension, represents a clear added value of the programme compared to activities carried out at MS and European level (namely by the ECB, Europol and Eurojust). The programme is also the only specific programme at European level which finances activities on euro protection.

**Efficiency.** Overall, the programme's activities and outputs are delivered at a reasonable cost and correspond to the priorities and needs identified, although there is some potential to improve efficiency. The complementarity and coherence of the programme activities are in general satisfactory. However, these and other efficiency aspects are not always clearly presented and reported. The meetings of the Euro Counterfeiting Experts Group (ECEG) provide an adequate mechanism for coordinating and steering the programme. The evaluation has identified some potential improvements which could facilitate the role of the ECEG for coordinating and steering the programme.

**Effectiveness.** The specific objectives of the programme are being achieved satisfactorily. Overall, the programme has been highly effective in contributing to the achievement of its specific objectives. Concrete results achieved with the programme's contribution have been reported by the competent authorities and include:

satisfactory cooperation among competent authorities in the EU and with third countries, improved capacity of competent authorities in the EU and third countries, successful cross-border operations, and the promotion of national structures and the development of relevant legal instruments on euro protection. Intangible effects deriving from networking, motivation of officials and facilitating mutual trust among officials of competent authorities are important contributions of the programme. The activities financed by the programme have a clear transnational and multidisciplinary dimension. The programme has also contributed to the promotion of convergence among the MS on euro protection, mainly by providing high level training, which is one of the specific objectives of the programme. It has also contributed by facilitating the exchange of information and best practices improving the understanding of the various situations in the MS, and the consequences of different levels of protection resulting from different criminal law systems. The role of the programme in promoting convergence beyond these areas is more uneven. Overall, the complementarity and coherence of the programme activities with other existing measures in MS, and at European level, are satisfactory. The existing coordination and cooperation mechanisms are adequate to achieve the overall objective of the programme. Nevertheless, while the existing planning process has, in general ensured coordination and flexibility to address new threats and priorities, a multi-annual strategy for the programme with a clearly defined timeframe is not in place and the current annual reporting does not provide sufficient information on the results achieved by the programme.

**Prospects for sustainability.** The sustainability of the results achieved will depend significantly on the possibility to continue financing similar activities to maintain the existing level of cooperation among the competent authorities, a continuous training of the staff concerned and responding to new threats and needs (new counterfeits, new modus operandi of criminal groups, new MS or third countries affected by counterfeiting, new euro notes issued by the ECB as from 2013, etc.). The evaluation showed that the continuation of the activities currently implemented by the MS with the programme support would be at risk without financing at EU level.