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**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**

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## **concerning the implementation and the results of the Pericles programme for the protection of the euro against counterfeiting 2006 -2013**

### **1. General**

The 'Pericles' Programme is an exchange, assistance and training programme for the protection of the euro against counterfeiting. The Programme was established by Council Decision 2001/923/EC of 17 December 2001 for a four year period (1 January 2002 to 31 December 2005).<sup>1</sup> This Decision was amended by two Council Decisions: 2006/75/EC of 30 January 2006<sup>2</sup> and 2006/849/EC of 20 November 2006<sup>3</sup>, hereafter the Pericles Decision. The latter Decision extended the duration of the programme until 31 December 2013.

Article 13 (3) (b) of Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC, requires a detailed report on the implementation and results of the Programme to be submitted to the European Parliament and Council by 30 June 2014. This report responds to that requirement in relation to the implementation period 2006-2013 and builds on the evaluation carried out in 2013 referred to in section 2 of this report.

### **2. Previous Evaluation Reports**

Article 13(3) (a) of the Council Decision 2001/923/EC, as amended by Council Decision 2006/849/EC requires the Commission to send to the European Parliament and the Council a report, which shall be independent of the programme manager, evaluating the relevance, efficiency and effectiveness of the programme and a communication on whether the programme should be continued and adapted, accompanied by an appropriate proposal. This evaluation was performed by the Internal Audit Capability and Evaluation function of the European Anti-Fraud Office (OLAF) during 2013. The Commission has sent this detailed evaluation to the Parliament and Council with its Communication COM/2013/588; the evaluation covers the period from 2002 to the first call for proposals 2012.

Furthermore the Commission has carried out a mid-term evaluation 2006-2010<sup>4</sup> to assess the effectiveness of the Programme. This mid-term evaluation has been used in the framework of the

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<sup>1</sup> OJ L 339 of 21.12.2001, p. 50-54.

<sup>2</sup> OJ L 36 of 8.2.2006, p. 40-41.

<sup>3</sup> OJ L 330, 28.11.2006, p. 28-29.

<sup>4</sup> This mid-term evaluation is Annex III to the Impact Assessment (SEC (2011) 1615 final) accompanying the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the 'Pericles 2020' programme (COM(2011) 913 final).

Commission's impact assessment which accompanied its proposal for the "Pericles 2020" programme under the 2014-2020 multi-annual financial framework (MFF) (see section 4).

The present Report focuses on the factual implementation of the programme and on the annual outputs realised in the period 2006-2013.

### **3. Implementation of the programme<sup>5</sup> and results**

Based on the reference amount of EUR 1 million for 2006 and EUR 6.9 million for the period 2007-2013, the annual appropriations authorised under the Pericles programme were EUR 1 million per year with the exception of 2010 (EUR 0.9 million).

The implementation of Pericles reflected the high level of interest of Member States on the protection of the euro against counterfeiting. Discussions of the multi-annual strategy at the meetings of the Euro Counterfeiting Experts Group (ECEG) have made it possible to commit 95.7% of the overall budget. In three consecutive years (2009-2010-2011) OLAF had to recommit budget de-committed during the same year in order to meet Member States' requests.

In the period 2006-2013 Pericles funded 113 projects; of these projects 72 originated from the competent authorities of Member States, while 41 were initiatives of the Commission/OLAF; details are available in Annex I.<sup>6</sup>

According to the Evaluation of the Pericles programme of 2013<sup>7</sup>: *"The activities financed by the programme are in general highly relevant to the achievement of its specific objectives. Training and dissemination and networking activities are the most relevant activities. Staff exchanges and teaching sources are also highly relevant. Around 95% of the programme resources have been allocated to the activities with the highest relevance"*.

Most of the actions that were carried out in the period 2006-2013 were seminars<sup>8</sup>, training/workshops and staff exchanges. Details are available in Annex II.<sup>9</sup>

#### **Selected target groups and participants**

According to the Evaluation of the Pericles programme of 2013<sup>10</sup>: *"The target groups of the programme are also highly relevant. The most relevant target group is police which is also the target group most involved in the programme activities both as organisers and participants. Judicial authorities and national central banks are also highly relevant and both target groups participate in*

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<sup>5</sup> Tables of annual implementation 2006-2013 are published on the site: [http://ec.europa.eu/anti\\_fraud/euro-protection/training/index\\_en.htm](http://ec.europa.eu/anti_fraud/euro-protection/training/index_en.htm)

<sup>6</sup> Annex I - Aggregate Statistics of Implementation Pericles Programme 2006-2013.

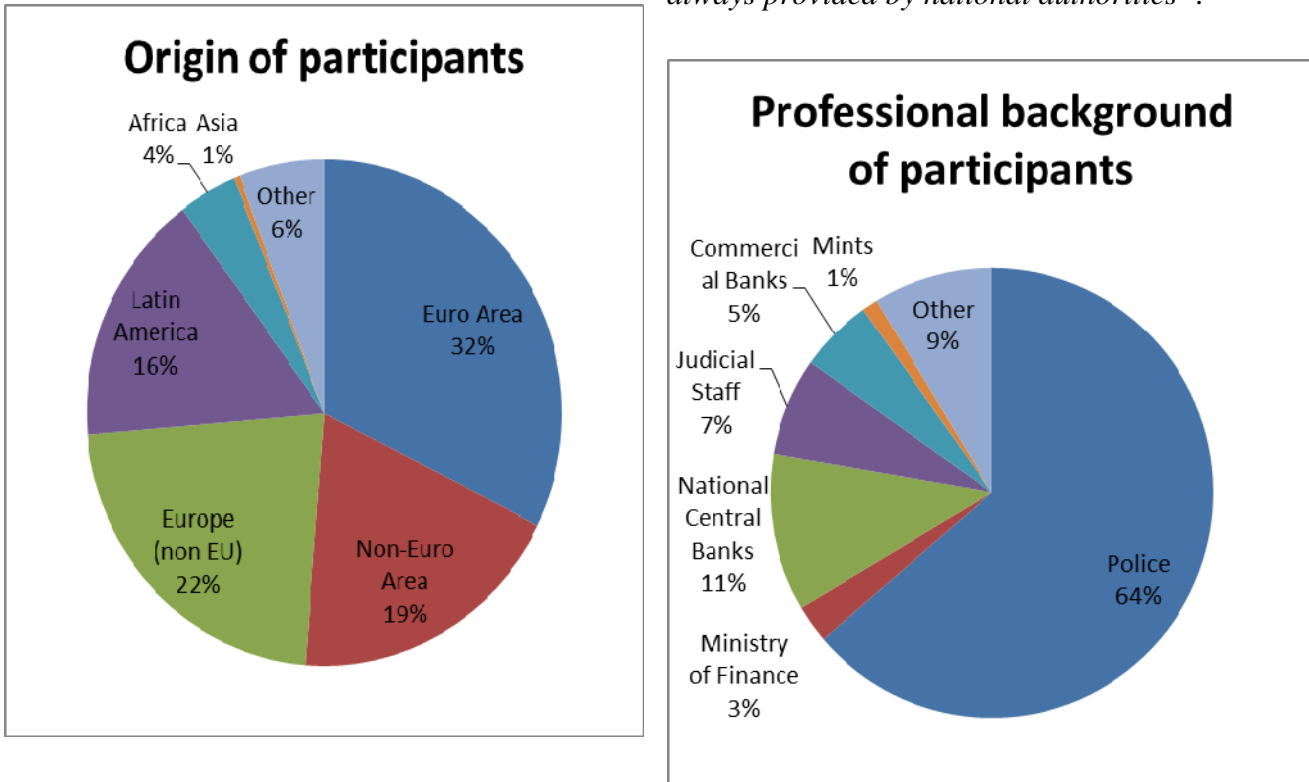
<sup>7</sup> Staff Working Document SWD (2013) 304 final, p. 45.

<sup>8</sup> Seminars: Conference-Training-Workshop (CTW).

<sup>9</sup> Annex II - Table on the Breakdown on the type of activity financed under the Pericles Programme 2006-2013.

<sup>10</sup> Staff Working Document SWD (2013) 304 final, p.45-46.

most programme activities although the evaluation findings suggest that increasing the involvement of the judicial authorities could be desirable. Private sector, namely the financial/banking sector, is also a relevant target group, particularly in MS which are not part of the euro area and third countries where training at national level is not always provided by national authorities”.



Graph I and graph II: origin of participants and the professional background of participants

An overall number of 4 320 experts participated in Pericles events.

In terms of origin, participants came from 83 countries. The majority of trainees (51%) were Member States nationals with clear predominance of staff from the euro area. European participants account for 73 % in total, while 16% of trainees were from Latin America (mainly Colombia, Peru and Argentina). While Africa was mainly represented by North African nationalities, the participation of Asian trainees was mainly limited to Chinese<sup>11</sup>.

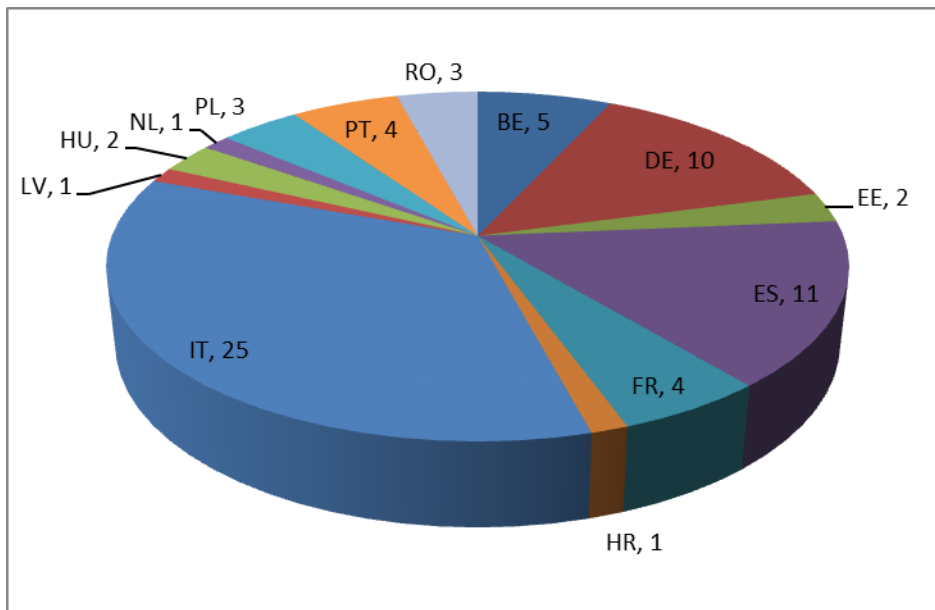
With respect to the professional background of participants, members from police forces, represent 64% of the total. This is due to the fact that police authorities represent the front line in the fight against euro counterfeiting and police staff includes both investigators and technicians.

<sup>11</sup> “Other” includes North America and European and International institutions.

Differentiation among the various other categories of participants (36%), including a high participation from Central Banks (11%) and judicial staff (7%), should be underscored.

As a result, Pericles implementation met the transnational and multidisciplinary dimensions of the programme, as required under Article 3 of the Pericles Decision.

In general, for each year of implementation, new applicants to the programme<sup>12</sup> were added, attesting to OLAF's efforts to diversify the use of Pericles funds. Countries most affected by euro counterfeiting have been more frequent users of Pericles funds, e.g. Italy, Spain and Germany. It may be noted that Member States not requesting funds did so generally due to organisational rather than structural reasons.



Graph III: Number of actions per Member State (grants 2006-2013)

### Pericles actions outside the EU

Pericles actions took place both inside and outside the EU depending on the specific needs to protect the euro against counterfeiting. Since its inception, Pericles consolidated its regional approach by implementing actions involving particularly sensitive regions of the world. Specific focus were Latin America (where Colombian and Peruvian organised crime represents a substantial threat for the euro) and neighbouring areas such as the South East of Europe (including Turkey and the Western Balkans), the Mediterranean region and the North East of Europe.

<sup>12</sup> Competent national authorities as referred to in Article 2 (b) of Regulation (EC) No 1338/2001 of 28 June 2001, laying down measures necessary for the protection of the euro against counterfeiting, OJ L 181, 4.7.2011, p.6.

## Structural and legislative improvements

Significantly, in addition to their awareness-raising and training content, Pericles actions have led to a number of structural and legislative improvements in Member States and in third countries. Among others, Colombia, Peru and Argentina made a strong effort to establish structures against counterfeiting similar to the National Central Offices in the European Union. Pericles assisted the (then) acceding countries and newcomers in their efforts to apply the EU acquis in the specific area of protecting the euro<sup>13</sup>.

Finally, the results of Pericles events were used by the Commission in the preparation of the Proposal for a Directive on the protection of the euro and other currencies against counterfeiting by criminal law<sup>14</sup>. In particular, the need to permit the use of the same investigation methods in currency counterfeiting investigations as those used in other serious organised crimes, was highlighted in Pericles seminars and added as a provision to the proposed Directive.

## 4. Way Forward

In its Communication COM/2013/588 the Commission clearly indicated that the overall results of the evaluation<sup>15</sup> carried out in 2013 were very positive. The Pericles programme was fully endorsed by organisers of and participants in Pericles actions, who expressed their support for the continuation of the programme beyond 2013<sup>16</sup>.

On 11 March 2014, Regulation (EU) No 331/2014<sup>17</sup> 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) was adopted covering the MFF 2014-2020. It is currently being implemented under the Annual Work Programme 2014 attached to the Financing Decision of 2014 (C(2014)3427)<sup>18</sup>.

The Commission shall provide annual information on the results of the Programme to the European Parliament and to the Council, in accordance with Art. 13 of Regulation (EU) No 331/2014.

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<sup>13</sup> Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting as amended by Council regulation (EC) No 44/2009 of 18 December 2008, Council regulation (EC) No 1339/2001 of 28 June 2001 extending the effects of Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency, Decision of the European Central Bank of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (ECB/2010/14), Regulation (EU) No 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling of euro coins unfit for circulation and Council regulation (EC) No 2182/2004 of 6 December 2004 concerning medals and tokens similar to euro coins as amended by Council Regulation (EC) No 46/2009 of 18 December 2008.

<sup>14</sup> Proposal for a directive of the European Parliament and of the Council on the protection of the euro and other currencies against counterfeiting by criminal law, and replacing Council Framework Decision 2000/383/JHA. The directive entered into force on the 22<sup>nd</sup> of May 2014; Directive 2014/62/EU of the European Parliament and of the Council of 15 May 2014 on the protection of the euro and other currencies against counterfeiting by criminal law, and replacing Council Framework Decision 2000/383/JHA.

<sup>15</sup> Staff Working Document SWD (2013) 304 final

<sup>16</sup> Impact Assessment (SEC (2011) 1615 final) accompanying the Proposal for a Regulation of the European Parliament and of the Council establishing the 'Pericles 2020' programme (COM (2011) 913 final).

<sup>17</sup> OJ L 103, 5.4.2014, p.1.

<sup>18</sup> The “Proposal for a Council Regulation extending to the non-participating Member States the application of Regulation (EU) No 331/2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the ‘Pericles 2020’ programme)” is expected to be adopted by the end of 2014. This Regulation is based on the Commission proposal COM(2011) 913 final accompanied by the impact assessment SWD SEC(2011) 1615 final.