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Proposal for a

COUNCIL DECISION

establishing a training, exchange and assistance programme for the protection of the euro against counterfeiting ("Pericles" programme)

Proposal for a

COUNCIL DECISION

extending the effects of Decision establishing a training, exchange and assistance programme for the protection of the euro against counterfeiting ("Pericles" programme) to the Member States which have not adopted the euro as the single currency

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. BACKGROUND

1.1. The need for action

The introduction of the euro and economic and monetary union (EMU) entail unprecedented cooperation requirements in the field of currency protection. The specific needs engendered by these developments will also have to be reflected in cooperation on training between the national authorities and the Community.

The third sentence of Article 123(4) EC, which enables the Council, acting on a proposal from the Commission and after consulting the ECB, to take the measures necessary for the rapid introduction of the euro as the single currency of the Member States without a derogation, covers training, exchange and assistance measures for the protection of the euro against counterfeiting. In addition, Article 308 EC offers the possibility of extending the measures taken on the basis of Article 123 to the Member States which have not adopted the euro as the single currency.

1.2. Primary responsibility of the Member States

The objective is to benefit from the value added by the European dimension, to attain equivalent levels of training at European level and to ensure that national strategies are compatible.

1.2.1

Training measures at national level will continue to be of vital importance. In keeping with the spirit of the EC Treaty, the Community approach is designed to provide the necessary added value for the European dimension of EMU to be integrated in ways which respect the primary responsibility of the Member States (and which in particular, as regards aspects of specific training, reflect their own organisational culture). That is why it is primarily for each Member State to determine which training activities can be organised in conjunction with other Member States within the context of the Community or Union contribution..

1.2.2

On a consensual basis, the Member States have focused on the European dimension of measures to combat counterfeiting of the euro and have acknowledged the importance of a multidisciplinary, transnational approach which is coordinated at Community level, in keeping with the subsidiarity principle. There is a recognition that certain differences in the Member States' respective approaches to anti-counterfeiting training policy do not necessarily mean that the measures taken are incompatible. This is particularly true where purely organisational differences are concerned. In contrast, where significant differences exist in the scope of national measures, and given the lack of supplementary measures which would allow levels of awareness of protection against counterfeiting to be aligned, a different approach, based on partnership, will be necessary in order to achieve this objective of equivalence.

1.3. Cooperation at European level

Cooperation between the national authorities and prevention and detection agencies in the Member States, the European Central Bank (ECB), Europol and Interpol - with Commission support - must be encouraged on an ongoing basis, particularly in respect of the training measures, exchanges and assistance measures necessary to protect the euro against counterfeiting. Interpol organises congresses and conferences on counterfeiting. Europol has set up a working party which is developing a training programme for officers specialising in this area. The ECB is actively involved, particularly within the framework of its Euro 2002 information campaign.

The different agencies themselves have acknowledged the need to coordinate initiatives. The inter-institutional steering group set up in November 2000, which comprises representatives of the Commission, the ECB and Europol, has made a proposal for a Council decision one of the priorities of its action plan for protecting the euro.

2. THE COMMUNITY RESPONSE

2.1. Objectives of the Community programme

The Community action programme for the protection of the euro against counterfeiting is necessary not just because forgers are extremely mobile and ingenious but also because of the common character of the new currency (transnational distribution between the euro zone countries and also beyond their borders). It is based on preparatory work initiated in 1997 in the form of consultations of experts in combating counterfeiting organised by the Commission.

The Community contribution must take transnational and multidisciplinary aspects into account. It should focus on aligning the substance of measures so as to ensure equivalent levels of protection on the basis of mutually agreed best practice while also respecting the distinct traditions of each Member State. This entails:

- popularising the overall, multidisciplinary approach of protection of the euro against counterfeiting, and especially Community law and instruments (proposals for regulations), European Union law and international law (in particular the 1929 Geneva Convention);¹
- raising awareness of the staff concerned, in particular employees of detection agencies, banks and credit institutions, of the Community dimension of the new currency (also as a reserve currency and a currency for international transactions);
- acting as a catalyst to closer cooperation between the staff concerned, the development of a climate of mutual trust and satisfactory mutual knowledge, *inter alia* of action methods and the difficulties involved, by promoting various appropriate measures such as placements, specialist workshops or the involvement of guest speakers in national training;

¹ International Convention for the suppression of counterfeiting currency; League of Nations, Treaty Series No 2623 (1931).

- a supplementary role to promote convergence of training for trainers, or even a tighter framework for such training, without establishing a European certificate in this area.

2.2. Content of the Community programme

The programme, which is to be based on the multidisciplinary, transnational approach outlined above, should take the following elements into consideration:

- technical security (or a broader security concept encompassing, for instance, security of consignments);
- deployment of instruments for exchanging operational and strategic information;
- operation of databases;
- use of detection tools, in particular with the help of computer applications;²
- operation of early warning systems;
- related matters such as the scope of the obligation to provide information, protection of personal data, etc;
- the different aspects of cooperation;
- protection of the euro outside the Union;
- research activities and provision of specific expertise;
- analysis of law, including criminal law.

2.3. Proposed methodology

2.3.1. The first step is to determine the target group with, as the agreed priority, staff who will be able to use the training received to train a greater number of individuals.

Accordingly, the target group comprises:

- staff of agencies (police, customs, tax authorities, etc.) engaged in detecting and combating counterfeiting;
- intelligence personnel;
- representatives of the national central banks, the mints and commercial banks (particularly in the light of exchanges of views between experts on the obligations of financial institutions);
- any other group of specialists concerned (judicial officers and lawyers, hauliers, chambers of commerce and industry or comparable structures providing access to craftsmen, traders, etc.).

² The French initiative RAPACE (Répertoire automatisé pour l'analyse des contrefaçons de l'euro) is noteworthy in this connection.

2.3.2 *Implementation of the programme will be based on the active involvement of all the competent institutional bodies at European and national level, and in particular the ECB and Europol.*

The following parties should be involved:

- representatives of the European System of Central Banks (ESCB) and the ECB, especially persons dealing with the technical database;
- representatives of the European Technical and Scientific Centre (ETSC) and the national mints;
- representatives of national analysis centres;
- representatives of the Commission, Europol, Interpol;
- trainers from the national agencies responsible for combating counterfeiting as referred to in Article 12 of the Geneva Convention;
- staff of specialist bodies concerned, for instance, by duplication and certification technologies, printers and engravers;
- staff of credit institutions;
- members of any other body offering specific expertise.

2.3.3. *The useful measures which may qualify for support under the programme comprise:*

- measures such as seminars, meetings or workshops based on the sharing of experience, including operational experience, and resources, for instance concerning interpreting;
- a policy of staff exchanges between the ministries of the Member States or between international institutions; the obligations of the host agency and the participants should be carefully defined;
- technical, scientific and strategic assistance for detection authorities.

2.3.4 *The back-up which should be provided at Community level comprises a range of operational support measures, such as the design and production of:*

- a handbook of legislation, a periodical information bulletin (with, for example, an updated list of contact points);
- practical manuals;
- a library to provide back-up for scientific research and analysis in specific cases where traditional research methods do not achieve results and in connection with technology watch activities;
- terminology databases;
- computer support applications;

- studies, in particular comparative law studies;
- other technical detection instruments for use at European level.

3. LEGAL AND POLITICAL BACKGROUND

Various initiatives have been taken, at national and European level, to prevent and combat counterfeiting of the euro.

3.1. Commission

In its communication of 22 July 1998 to the Council, the European Parliament and the European Central Bank - Protection of the euro - Combating counterfeiting,³ the Commission spelled out priority measures in four areas, namely training, the information system, cooperation and criminal law.

3.2. Council and Parliament

The priorities identified in the Commission communication tally with the ECOFIN Council guidelines⁴. The Nice European Council of 7, 8 and 9 December 2000 indicated that efficient arrangements to prevent counterfeiting of the euro should be adopted as soon as possible in 2001.

In a resolution dated 17 November 1998 and at a public hearing in January 1999, the European Parliament said that it was urgent to make progress.

3.3. European Central Bank

The exchange of letters between the Presidents of the ECB and the Commission also forms part of this development⁵, as does the ECB recommendation of 7 July 1998⁶.

3.4. Protection in criminal law

At European Union level, Europol's terms of reference were extended on 29 April 1999 to include counterfeiting⁷, and Europol set up a working group with experts from the Member States.

On 29 May 2000, a framework decision was adopted on increasing protection by criminal penalties and other sanctions against counterfeiting in connection with the introduction of the euro⁸. On 22 December 2000 France supplemented these arrangements with an initiative based on the third pillar.

³ COM(1998)474 final.

⁴ Conclusions of 19 May 1998 emphasising the importance of setting up an efficient system of protection throughout the monetary union and conclusions of 23 November 1998 calling for all necessary measures to be taken in due time so that everything is ready for 1 January 2002.

⁵ Letter from Mr Duisenberg dated 21 April 1999, and letter from Mr Santer dated 2 July 1999 following an initial reply dated 4 May 1999.

⁶ OJ C 11, 15.1.1999.

⁷ OJ C 149, 28.5.1999.

⁸ OJ L 140, 14.6.2000.

3.5. Legal framework for cooperation

Negotiations in the Council on the proposal for a regulation on protection of the euro against counterfeiting presented by the Commission on 26 July 2000⁹ should give rise to the adoption of this text under the Swedish Presidency. This important instrument deals *inter alia* with the collection of, and access to, technical and statistical data, obligations regarding the transmission of counterfeit notes and coins for identification, the obligations of credit institutions, the centralisation of information on counterfeiting, cooperation and mutual assistance (between Member States, the Commission and the ECB and between those bodies and Europol; cooperation with third countries and international organisations).

3.6. Protection of coins

The abovementioned regulation incorporates the technical arrangements approved by the Ecofin Council on 28 February 2000 for euro coins, with, in particular, the creation of the European Technical and Scientific Centre (ETSC) and the initiatives taken by the ECB regarding the technical protection of euro notes.

4. FURTHER MEASURES

However, these initiatives still require further work on training. The interinstitutional steering group set up by the Commission, the ECB and Europol recently highlighted the need for this work.

That is why the Commission is presenting a proposal for a Council Decision establishing a training, exchange and assistance programme for the protection of the euro ("Pericles" programme)¹⁰.

With less than one year to go before the introduction of euro notes and coins, the professions concerned and the budgetary authority will be extremely receptive to an initiative of this type, which should facilitate negotiations.

5. PROPOSAL FOR A COUNCIL DECISION: ARTICLES

Article 1

Article 1 establishes the Pericles programme for a period of four years, starting on 1 January 2002, i.e. the date on which euro notes and coins are to be introduced.

Article 2

Article 2 lays down the general objectives of the programme, which is covered by the EC Treaty (EMU comes under the first pillar). Community action in the training field will support and supplement measures taken by the Member States.

⁹ OJ C 337 E, 28.11.2000.

¹⁰ Athenian statesman associated with the "golden age". It was during this age that certain security features were added to coins.

Article 3

Article 3 lists the types of measure which may be covered by the programme.

Article 4

Article 4 indicates the individuals and bodies eligible for the programme and Community funding.

It also lists the bodies which will help the Commission to achieve the programme's objectives, in particular the ECB, Europol and Interpol, the national analysis centres (CAN and CNAP), the European Technical and Scientific Centre (ETSC) and the national central offices set up by the Geneva Convention.

Article 5

Article 5 refers to the institutional partnerships necessary for the programme's implementation.

Article 6

Article 6 concerns international cooperation, and in particular the need to involve the applicant countries.

Article 7

Article 7 deals with the funding of seminars, which may be organised in conjunction with other bodies (in particular Europol, Interpol and the ECB), exchanges of individuals, operational assistance and certain external protection measures.

Article 8

Article 8 concerns implementation of the programme and arrangements for following up and evaluating it.

Paragraph 1 indicates that the programme is to be implemented as part of cooperation arrangements, mainly between the Commission and the Member States. The general criteria for evaluating projects are indicated.

Paragraph 2 sets out the obligation for the beneficiaries of the selected projects to transmit an annual report to the Commission.

The following paragraphs set out the arrangements whereby the Commission evaluates implementation of the programme.

Article 9

Article 9 states that the decision to establish the programme will enter into force on the day of its publication in the Official Journal of the European Communities and that it will be applicable from 1 January 2002.

Proposal for a

COUNCIL DECISION

establishing a training, exchange and assistance programme for the protection of the euro against counterfeiting ("Pericles" programme)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the third sentence of Article 123(4) thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the European Central Bank,

Whereas:

- (1) It is one of the Community's objectives to establish Economic and Monetary Union, and the Community's action includes a contribution to high-quality training.
- (2) The Treaty calls on the Community to take all necessary measures for the rapid introduction of the euro as the single European currency.
- (3) In order to protect the euro against counterfeiting, it will be necessary to ensure that equivalent training is provided to all the competent departments in the Member States and to make provision for cooperation assistance.
- (4) One of the aims of this programme is to facilitate access to training and to promote exchanges of information and experience between members of the professions concerned and exchanges of officials.
- (5) By virtue of its objectives, the Community promotes cooperation with non-member countries and with the international organisations responsible for protecting the single currency against attacks on its credibility as a fiduciary currency.
- (6) In its recommendation of 7 July 1998 concerning the adoption of certain measures designed to reinforce legal protection of euro notes and coins¹¹, the European Central Bank calls on the Commission to establish cooperation between national police forces to combat counterfeiting of euro notes and coins and suggests that the Council, the Commission and the Member States implement any viable measures to combat counterfeiting, or give such measures careful consideration.

¹¹ OJ C 11, 15.1.1999.

- (7) In the Commission communication to the Council, the European Parliament and the European Central Bank of 22 July 1998 on the protection of the euro¹², the Commission stated that it would examine the possibility of launching a pilot training scheme for all parties involved in preventing, detecting and suppressing counterfeiting. This measure would be designed to complement national vocational training policies and should allow guidelines to be determined for training policy in the coming years.
- (8) Consultations and experience clearly show that a specific, multidisciplinary supplementary programme organised at Community level and carried out over the long term is likely to be more effective than measures conducted at national level; accordingly, this programme will support and complement the work done by the Member States.
- (9) Beyond training in the strict sense of the term and exchanges of officials, a programme of that type should also encompass assistance measures, particularly technical and scientific assistance.
- (10) The Commission's Advisory Committee for the Coordination of Fraud Prevention, which is the appropriate forum, deals with all matters relating to the evaluation of needs for the protection of the euro against counterfeiting, particularly training needs, including aspects relating to implementation of this programme and participation by the applicant countries. This work is carried out via the euro counterfeiting experts group.
- (11) A Council framework Decision designed to increase protection by providing for criminal penalties and other sanctions against counterfeiting in connection with the introduction of the euro was adopted on 29 May 2000¹³.
- (12) On 26 July 2000 the Commission presented a proposal for a Council Regulation on protection of the euro against counterfeiting¹⁴, which deals with exchanges of information, cooperation and mutual assistance, including external aspects of protection, and the withdrawal obligations incumbent on financial institutions. It should set up a comprehensive cooperation framework before euro notes and coins are introduced in 2002.
- (13) Training measures designed to provide back-up for the prevention of counterfeiting and the detection of counterfeit euro notes and coins should incorporate the various aspects covered by the aforementioned legal instruments.
- (14) This decision is without prejudice to initiatives which may be taken pursuant to the EU Treaty and within the framework of existing or future programmes concerning aspects of criminal law,

¹² COM (1998) 474 final.

¹³ OJ L 140, 14.6.2000.

¹⁴ OJ C 337 E, 28.11.2000.

HAS DECIDED AS FOLLOWS:

Article 1

Establishment of the programme

1. This decision establishes a Community action programme to support and supplement the measures undertaken by the Member States in the field of counterfeiting, in particular as regards protection of the euro.
2. The action programme shall be known as the “Pericles” programme. It shall run from 1 January 2002 to 31 December 2005.
3. Programme implementation and evaluation shall be carried out in accordance with the provisions of Articles 5 and 8.

Article 2

Objectives of the programme

The Community programme seeks, by the measures set out in Article 3, to protect the euro against counterfeiting. It shall take account of transnational and multidisciplinary aspects. It shall concentrate on promoting convergence of the substance of measures so as to ensure equivalent levels of protection on the basis of mutually agreed best practice while also respecting the distinct traditions of each Member State.

In particular, its remit shall encompass:

- raising awareness of the staff concerned of the Community dimension of the new currency (also as a reserve currency and a currency for international transactions);
- acting as a catalyst to encourage closer cooperation between the staff concerned, the development of a climate of mutual trust and satisfactory mutual knowledge, *inter alia* of action methods and difficulties, by promoting various appropriate measures such as placements, specialist workshops or the involvement of guest speakers in national training and staff exchanges;
- promoting convergence of training for trainers in ways which are compatible with national operational strategies;
- expanding general knowledge of Community and international law and instruments.

Article 3

Measures

1. The content of training and of operational support, based on a multidisciplinary and transnational approach, shall embrace not only security issues but also the exchange of information, in particular strategic information, and technical and scientific back-up.

- 2a) The content of training at Community level shall cover the setting-up of exchanges of information, particularly strategic information, operation of databases, use of detection tools with computer back-up, scientific assistance (in particular scientific databases and technology watch/monitoring of new developments), operation of early warning systems, related matters, such as the scope of the obligation to provide information and the protection of personal data, the different aspects of cooperation, the protection of the euro outside the Union and research activities and provision of specific operational expertise.
- 2b) This training policy shall be reflected in a variety of measures including the organisation of workshops, meetings and seminars, and a targeted policy of placements and individual exchanges.
3. Technical, scientific and operational support shall concern any measure which establishes teaching resources at European level (handbook of EU legislation, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch) or software support applications but also studies with a multidisciplinary and transnational dimension and the development of technical support instruments and methods to facilitate detection activities at European level.

Article 4

Programme access

1. Target group

The measures shall target the following groups:

- staff of agencies (police, customs, tax authorities, etc.) engaged in detecting and combating counterfeiting;
- intelligence personnel;
- representatives of the national central banks, the mints and commercial banks (particularly as regards the obligations of financial institutions);
- judicial officers and specialist lawyers;
- any other group of specialists concerned (chambers of commerce and industry or comparable structures providing access to craftsmen and traders, hauliers, etc).

2. Contributions and expertise

The following parties shall contribute their respective areas of expertise to the objectives of the Community programme:

- the ESCB¹⁵ and the ECB, especially as regards the technical database (CSM);

¹⁵ European System of Central Banks.

- national analysis centres¹⁶;
- the ETSC¹⁷ and the national mints;
- the Commission, Europol and Interpol;
- the national central anti-counterfeiting offices referred to in Article 12 of the Geneva Convention;
- specialist bodies concerned, for instance, by duplication and certification technologies, printers and engravers;
- any other body offering specific expertise, including, where appropriate, third countries and in particular applicant countries.

Article 5

Coherence and complementarity

1. This programme shall be implemented and coordinated by the Commission and the Member States, working closely together.
2. This coordination shall take account of measures undertaken by other organisations, in particular the ECB and Europol.

Article 6

International cooperation

The programme shall be open to the following countries, taking account of the arrangements for distributing euro notes and coins, operational requirements, evaluation of the threat and risk analysis, and in so far as agreements and procedures permit:

- the associated countries of Central and Eastern Europe (CEECs);
- Cyprus, Malta, Turkey and the EFTA countries on the basis of additional appropriations, in accordance with procedures to be agreed with those countries;
- on the basis of joint financial involvement, cooperation with other third countries can also be envisaged.

Article 7

Financial provisions

1. The workshops, meetings and seminars provided for in Article 3(2b) may be organised jointly with other bodies such as Europol, Interpol or the ECB, provided

¹⁶ For notes and coins.

¹⁷ European Technical and Scientific Centre, set up on a provisional basis at the Paris Mint.

the related expenses are divided on a proportional basis or those bodies provide at least a substantial contribution in kind. In any event, each body shall bear the travel and accommodation costs of its guest speakers.

Where such events are not organised on a joint basis with other bodies, the following costs shall be borne by the Community:

- the travel and accommodation expenses of personnel taking part in workshops, meetings and seminars in another Member State, and the general overheads associated with organising these events;
- publication and translation costs for the teaching materials used,

and the following costs shall be borne by the Member States:

- the costs associated with initial and continuing training of their personnel, particularly as regards technical training;
- certain logistical costs in connection with the workshops, meetings and seminars organised on their territory with Community funding (internal transfers, rental of premises, provision of interpreting facilities, etc.).

2. Staff exchanges

The costs of participation by staff from Member States in the placements or exchanges provided for in Article 3(2b) shall be borne by the Commission, in so far as those activities are in keeping with the objectives referred to in Article 2.

The costs of participation by staff from Member States in placements or exchanges which are not covered by the aforementioned objectives shall be borne by the Member States.

3. Assistance

The Commission shall bear up to 70% of the cost of the operational support referred to in Article 3(3) by way of co-financing, in particular:

- the design and production costs of technical resources and computer applications or technical instruments with a European dimension;
- the costs of studies, particularly comparative law studies, on the protection of the euro against counterfeiting.

Exceptionally, where Commission initiatives are concerned, such operational support measures may be financed up to 100%.

All expenses relating to the non-Community elements of these teaching resources and computer applications, together with the distribution costs of co-financed teaching resources and the operating costs of co-financed computer applications based on the territory of the Member States, shall be borne by the Member States.

4. External protection measures

In accordance with the conditions set out in Article 6, apart from bearing the cost of participation of officials from third countries in the workshops, meetings and seminars provided for in paragraph 3, the Commission may co-finance up to 70% of the cost of training measures on the territory of third countries and operational support measures in those countries.

Article 8

Implementation, follow-up and evaluation

1. Actions under the programme may be proposed by the Member States or by the Commission; those which best meet the objectives set out in Article 2 shall be selected. The Commission shall be responsible for managing and implementing the programme in cooperation with the Member States, which may present to it no more than one training project per year (concerning the workshops, meetings and seminars referred to in Article 3(2b)). Projects in connection with placements, exchanges or assistance may also be presented.

For the purpose of implementing the programme, the Commission shall evaluate and select projects presented by the Member States, and projects devised on its own initiative, on the basis of the following criteria:

- compliance with the programme's objectives;
 - the European dimension, including cooperation aspects with Europol and the ECB;
 - complementarity with other previous, current or future projects;
 - the organiser's capacity to implement the project;
 - the intrinsic quality of the project;
 - the amount of aid requested and whether it is commensurate with the anticipated results;
 - the impact of the anticipated results on the programme's objectives.
2. The beneficiaries of the selected programmes shall send an annual report to the Commission.
 3. On completion of the projects, the Commission shall evaluate the way in which they have been implemented and the impact they have had in order to gauge whether the objectives set at the outset have been achieved.
 4. The Commission shall send to Parliament and the Council by 31 December 2004 an outside report evaluating the relevance, the efficiency and the effectiveness of the programme.

5. On completion of the programme and by no later than 30 June 2006, the Commission shall send to Parliament and the Council a detailed report on the implementation and the results of the programme setting out in particular the value added of the Community financial assistance.

The Commission shall also present a communication on whether this programme should be continued and adapted, accompanied by an appropriate proposal, by 30 June 2005.

Article 9

Entry into force

This decision shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 2002.

Done at Brussels,

For the Council
The President

Proposal for a

COUNCIL DECISION

extending the effects of Decision establishing a training, exchange and assistance programme for the protection of the euro against counterfeiting ("Pericles" programme) to the Member States which have not adopted the euro as the single currency

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas:

- (1) Articles 1 to 8 of Decision No ... will be effective in the Member States which have adopted the euro as the single currency.
- (2) The training, exchange and assistance measures for the protection of the euro should be uniform throughout the Community and measures should therefore be adopted to guarantee this same level of protection for the euro in the Member States which have not adopted it,

HAS DECIDED AS FOLLOWS:

Article 1

Application of Articles 1 to 8 of Decision No ... shall extend to the Member States which have not adopted the euro as the single currency.

Article 2

This decision shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 2002.

Done at Brussels,

*For the Council,
The President*

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Establishment of a training, exchange and assistance programme for the protection of the euro against counterfeiting ("Pericles" programme).

2. BUDGET HEADINGS INVOLVED

Item B5-910 (General measures to combat fraud).

3. LEGAL BASIS

Article 123(4). Article 308.

4. DESCRIPTION OF OPERATION

4.1 General objective of the operation

To protect the euro (single European currency) against counterfeiting by means of training, staff exchanges and operational assistance, particularly scientific assistance.

4.2 Period covered and arrangements for renewal

From the entry into force of the decision (1 January 2002) to 31 December 2005.

Arrangements for renewal set out in the decision (Article 8 *inter alia*).

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 EXPENDITURE: 4 million

6. TYPE OF EXPENDITURE OR REVENUE

6.1 Type of expenditure

Expenditure comprising *inter alia* the organisation of workshops, meetings and seminars, the costs associated with placements and staff exchanges, assistance measures, including preparation of teaching resources and production of computer applications, preparation of studies with a Community dimension, in particular comparative law studies, and specific external actions to protect the euro.

6.2. Type of revenue

Community financing from the general budget of the European Communities.

National co-financing. Involvement of other agencies (Europol, Interpol, ECB).

7. FINANCIAL IMPACT

The current figures reflect the experience acquired from training measures organised previously (e.g. aid of €33 000 for the seminar organised in Paris in December 1999, aid of €93 000 for the seminar held in Rome in October 2000), other co-financing provided from the Community budget (e.g. aid for the RAPACE initiative of €38 000 for phase 1 and €12 000 for phase 2) and various external evaluations, including those carried out by Europol. In addition, an evaluation of the 14 anti-fraud training measures which received OLAF funding in 2000 points to an average of approximately €67 000 per seminar.

7.1. Method of calculating total cost of operation (relation between individual and total costs)

The financial reference amount for implementing the programme between 2002 and 2005 is €4 million, or an average of €1 million per year. However, as a result of the introduction of euro notes and coins in 2002, the budget for that year should be slightly higher (€1.2 million). During the last year of the programme, measures targeted on the applicant countries should be somewhat more important.

7.2. Breakdown of operation by components

The breakdown of the operation by components will depend essentially on the projects submitted by the Member States (only one project per year and per Member State for training in the form of the workshops, meetings and seminars provided for in Article 3(2b), which does not mean that 15 projects will be submitted and/or accepted each year). However, the Commission may also submit projects on its own initiative, and certain operations will entail the involvement of authorities in third countries.

Commitment appropriations (€ million)

Breakdown	Year 2002	Year 2003	Year 2004	Year 2005	Total
Workshops, meetings and seminars	0.4	0.3	0.3	0.3	1.3
Placements and exchanges	0.3	0.2	0.2	0.2	0.9
Assistance and other protection measures	0.4	0.3	0.3	0.3	1.3
External measures	0.1	0.1	0.1	0.2	0.5
Total	1.2	0.9	0.9	1	4

7.3. Operational expenditure on studies, experts, etc, included in Part B of the budget

Not relevant.

7.4. Schedule of commitment appropriations/payment appropriations

Commitment appropriations (€ million)

	Year n	n + 1	n + 2	n + 3			Total
Commitment appropriation	1.2	0.9	0.9	1			4
Payment appropriation							
Year n	0.6	0.4	0.2				1.2
n + 1		0.5	0.3	0.1			0.9
n + 2			0.5	0.3	0.1		0.9
n + 3				0.5	0.4	0.1	1
Total	0.6	0.9	1	0.9	0.5	0.1	4

8. FRAUD PREVENTION MEASURES

On-the-spot checks. Cf. the Financial Regulation.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific quantifiable objectives, target group

- Specific objectives: links to the general objective

Specific objective: training for professionals responsible for preventing and combating counterfeiting of the euro, including by means of a policy of placements and exchanges, in addition to national training plans. Assistance to these professionals.

General objective: Protection of the euro against counterfeiting.

- Target group: if appropriate, to be defined for each objective. The final recipients of the Community funding and the intermediaries used should be indicated.

The target group referred to in Article 4 which takes part in the seminars and exchanges and benefits from assistance measures. The competent authorities of the Member States, in particular the national agencies for combating counterfeiting set up by the 1929 Geneva Convention, the national mints and the national central banks may benefit from Community funding. ECB, Europol.

9.2. Grounds for the operation

- Need for Community funding, particularly in the light of the *subsidiarity principle*.

Protection of Community heritage. Measures are not designed to be a **substitute** for national training plans, particularly where technical training is concerned.

- Choice of forms of intervention:
 - advantages in relation to alternative measures (comparative advantages)

Economies of scale. A European response to the expectations of the various parties involved in preventing and combating counterfeiting of the euro, whose needs were determined at meetings of the Commission's Advisory Committee for the Coordination of Fraud Prevention, or in the course of work by Europol.
 - analysis of any similar measures carried out at Community level or at national level

Europol set up structures which are now well established, and is considering training measures targeted on police forces.

The ECB is responsible for an information campaign ("Euro 2002 Information Campaign").

The Member States are still entirely responsible for national training plans.

- side effects and multiplier effects expected

To ensure the efficient operation of the comprehensive system of protection of the euro against counterfeiting, based on various 1st or 3rd pillar instruments (framework decision of 29 May 2000, Regulation No .../2001; French initiative of 22 December 2000 with a view to the adoption of a decision supplementing the framework decision, etc.).

- Main elements of uncertainty which may affect the specific results of the measure

None. Rising demand not only from the competent national authorities and the private sector, but also from institutional bodies such as Interpol, Europol or the ECB.

9.3. Follow-up and evaluation of the measure

- performance indicators

Rapid detection rate of counterfeit euros.

- output indicators (measurement of activities deployed)

Quality of information exchanges and cooperation between the competent national authorities, effective legal follow-up.

- impact indicators according to objectives

Dissuasive effect for counterfeiting.

- arrangements for the planned evaluation; frequency

See Article 8 of the decision: constant internal evaluation by the Commission on completion of the projects; outside evaluation report on the relevance, efficiency and effectiveness of the programme presented by the Commission by 31.12.2004 and final detailed report from the Commission by 30.6.2006.

- assessment of results (in cases of proceedings or the renewal of existing measures)

New programme. Communication provided for in Article 8.

10. ADMINISTRATIVE EXPENDITURE (PART A OF SECTION III OF THE GENERAL BUDGET)

This section should be sent simultaneously to DG BUDG and DG ADMIN, which will then forward to it to DG BUDG with its opinion.

Actual mobilisation of the necessary administrative resources will follow the Commission's annual decision on allocation of resources, in the light of the additional staff and funding approved by the budgetary authority.

10.1. Effect on the number of posts

Type of post		Staff responsible for administering the measure		By using		Duration
		<u>Permanent posts</u>	<u>Temporary posts</u>	Existing resources within the DG or department concerned	Additional resources	
Officials or temporary staff	A	0.5		0.5		4 years
	B	1		1		4 years
	C	1		1		4 years
Other resources						
Total		2.5		2.5		4 years

The rate at which additional resources need to be made available should be indicated.