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**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**

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### **1. General**

The "Pericles 2020" programme is an exchange, assistance and training programme for the protection of the euro against counterfeiting. It replaces the Pericles programme that was established in 2001 and ran in the period 2002-2013. The programme was established by **Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014<sup>1</sup>**. Its application was extended to the non-participating Member States by **Council Regulation (EU) No 2015/768 of 11 May 2015<sup>2</sup>**. Regulation (EU) No 331/2014 establishes the duration of the programme until 31 December 2020. Article 13(3) of the Regulation requires the Commission to provide annual information on the results of the programme to the European Parliament and to the Council. This second Annual Report responds to that requirement in relation to the year 2015.

### **2. Implementation of the programme and results of committed Pericles actions in 2015**

The annual budget for the implementation of the "Pericles 2020" programme for the year 2015 was set at EUR 1 024 800, and was financed from the budget line 24 03 01 of the general budget of the European Union for 2015. A total of EUR 967 739.33 was committed in 2015.

The implementation of the programme reflected the commitment of Member States to protect the euro against counterfeiting. Discussions of the multi-annual strategy at the meetings of the Euro Counterfeiting Experts Group (ECEG) made it possible to commit 94.4% of the overall budget in 2015. Taking into account the quality and quantity of grant applications received in 2015, it was necessary to transfer EUR 44 496 from "Commission actions" to grants.

In 2015, the programme funded 12 projects in total. Out of the 12 applications originating from the competent authorities of the Member States 9 grants were successfully awarded, compared to 6 awarded grants in 2014. Furthermore, 3 initiatives of the Commission were funded, compared to 4 Commission initiatives in the previous year. 2 actions were implemented in 2015, while 10 actions are being/will be implemented in 2016.

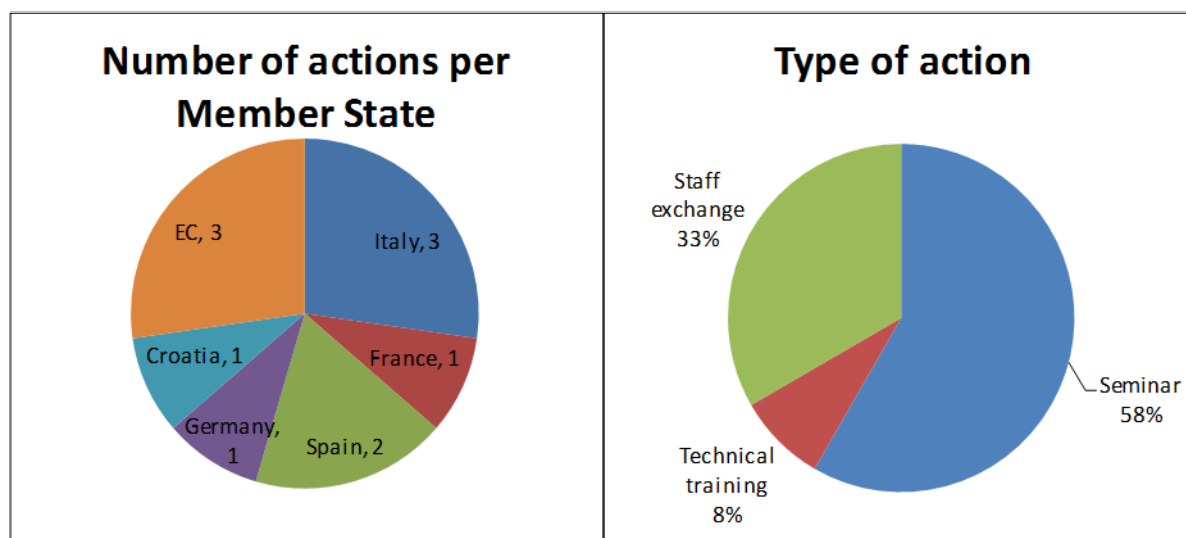
In 2015, applicants to the programme represented five Member States, namely Italy, France, Spain, Germany and Croatia. That range largely reflects the fact that the countries most affected by euro counterfeiting are more frequent users of Pericles funds. Due to the late adoption of Council Regulation (EU) No 2015/768, there was only one grant application from non-participating Member States, which was a Croatian application.

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<sup>1</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>2</sup> Council Regulation (EU) No 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).

**Chart I and Chart II: Number of financed actions per Member State and type of action financed (actions committed to in 2015, see Annex I)**



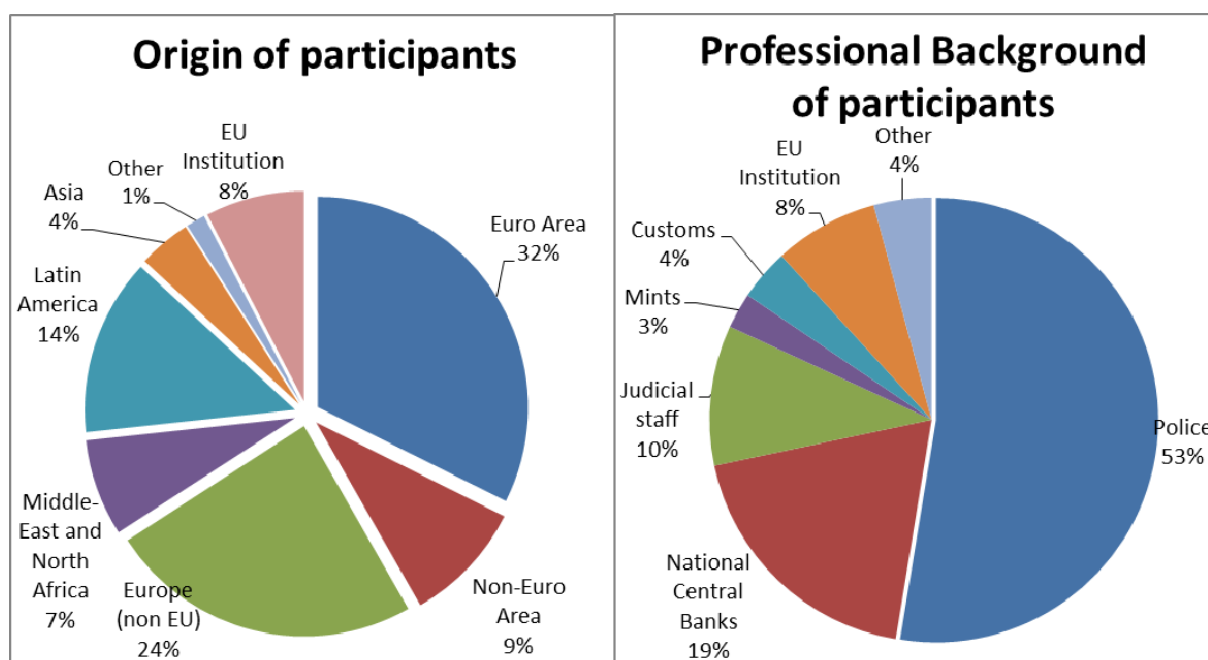
The actions for which commitments were made in 2015 consisted of seven seminars, one technical training (workshop) and four staff exchanges.

The actions took place<sup>3</sup> both inside and outside the EU depending on the specific needs to protect the euro against counterfeiting. Since its inception, Pericles has consolidated its regional approach by implementing actions involving particularly sensitive regions of the world. Specific focus areas in 2015 were Latin America (two actions organised by Spain), South-East Europe (actions organised by Croatia, Italy and the Commission), the Mediterranean region (an action organised by Italy) and China (actions organised by France, Italy and the Commission).

Charts III and IV give a breakdown of the origin and professional background of "Pericles 2020" programme participants:

<sup>3</sup> Some actions are still being implemented in 2016.

**Chart III and Chart IV: Origin of participants and professional background of participants<sup>4</sup> (actions committed to in 2015, see Annex I)**



An estimated number of 618 experts participate in Pericles actions for which commitments were made in 2015.

In terms of origin, participants come from 59 countries. The majority of trainees (65%) are European participants: 41% come from the Member States, while non-EU countries in Europe represents the second-largest group at 24%; 14% of trainees are from Latin America (mainly Colombia and Peru), and 7% come from the Middle East and North Africa. Of special note is the increase in participants from Asia, representing 4% with all participants coming from China.

With respect to the professional background of participants, members from police forces represent 53% of the total. That prominent presence 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. Nevertheless, a continuing trend of differentiation among the various other categories of participants (47%) should be highlighted. There was high participation from Central Banks (19%), and a growing participation of judicial staff (10%)<sup>5</sup> and customs (4%).

As a result, Pericles implementation meets the transnational and multidisciplinary dimensions of the programme required under Regulation (EU) No 331/2014.

<sup>4</sup> The other category includes, inter alia, Interpol, commercial banks and staff from national ministries.

<sup>5</sup> This is a 4-percentage point increase from the 2014 Pericles implementation, see COM(2015) 507 final.

### **3. Overview of actions committed to in 2015: highlights<sup>6</sup>**

The "Pericles 2020" programme implementation in 2015 demonstrates a continuing positive trend towards an increasing differentiation of the professional backgrounds of participants. In particular, the growing involvement of the judiciary in five actions as well as the growing participation of customs is noteworthy.

The programme has succeeded in maintaining and further strengthening strong regional and international cooperation in 2015, with several actions taking place in Latin America, the Mediterranean area and the Balkans region, as well as three actions that involve representatives from China. Furthermore, the 2015 Pericles commitments reflect a further diversification of Member States' competent national authorities applying for the programme; the 'Polizeipräsident in Berlin, Landeskriminalamt' is a first-time applicant for Pericles funds.

Several actions under the 2015 "Pericles 2020" budget, sought to strengthen multidisciplinary cooperation in the field of anti-counterfeiting and the exchange of technical expertise and best practices between the Member States and Union Institutions, on the one hand, and the competent national authorities of China, on the other. In January 2016, the Pericles-funded 'Sino European Cooperation in Combatting Counterfeiting of the Euro' conference was held in Paris. Furthermore, the Italian National Central Office included the participation of Chinese representatives in their Pericles-funded action. Finally, the 'Pericles EU-China Workshop on the protection of currencies' is an action that will be held in Brussels with participation of the Chinese Ministry of Public Security. It seeks a more structural cooperation on strategic and operational matters in the field of anti-counterfeiting between the Member States, Union Institutions, and Chinese competent national authorities.

The Commission continues the sequence of Euro South East Conferences with the 12th Euro South East conference that will be held in October 2016 in Zagreb, Croatia. Those conferences have been vital in reinforcing cooperation among competent national authorities in South-East Europe which contains several hotspots regarding the possible transit and production of counterfeit euros.

The Commission constantly disseminates the results of the actions supported under the programme to the experts of the Euro Counterfeit Experts Group (ECEG). In 2015, three ECEG meetings took place.

The programme shows a high degree of consistency and complementarity with other relevant programmes and actions at Union level because it is dedicated exclusively to and focuses on preventing and fighting a specific form of organised crime, namely euro counterfeiting. It is therefore complementary and consistent with OLAF's Hercule III programme<sup>7</sup> which protects the financial interests of the Union, and it shows a high degree of complementarity with, inter alia, DG HOME's Internal Security Fund - Police<sup>8</sup>, which covers the prevention and combating of crime in general.

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<sup>6</sup> A comprehensive overview of Pericles actions committed to in 2015 can be found in Annex I.

<sup>7</sup> Regulation (EU) No 250/2014 of the European Parliament and of the Council of 26 February 2014 establishing a programme to promote activities in the field of the protection of the financial interests of the European Union (Hercule III programme) and repealing Decision No 804/2004/EC (OJ L 84, 20.3.2014, p. 6).

<sup>8</sup> Regulation (EU) No 513/2014 of the European Parliament and of the Council of 16 April 2014 establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and repealing Council Decision 2007/125/JHA (OJ L 150, 20.5.2014, p. 93).

#### **4. Implementation of Pericles actions in 2015 that were committed to under the 2014 "Pericles 2020" programme or the "Pericles" programme**

2015 saw the implementation of 10 Pericles actions that were committed to under the 2014 Pericles 2020 programme or under the budgets of the "Pericles" programme<sup>9</sup>. Of those projects, 5 originated from the competent national authorities of Member States – namely Latvia, Italy and France - while 5 projects were initiated by the Commission. The projects consisted of 2 seminars, 2 studies, 2 technical trainings, 3 staff exchanges and the update of the Euro Anti-Counterfeiting Manual. Particular focus areas were South-East Europe and the Mediterranean region.

#### **5. Conclusion and way forward**

The "Pericles 2020" programme continues to be an important and effective tool in the fight against counterfeiting. That conclusion is supported by the Commission's assessment that in comparison to the previous year, more co-financed actions were granted under the "Pericles 2020" programme<sup>10</sup>. The programme forms the basis for the support of studies, maintaining and developing cooperation, and exchanging best practices among all actors involved in the fight against euro counterfeiting. Based on the results of the implementation of the programme and the continuous analysis of emerging threats discussed in the ECEG, the priorities for 2016 are the following<sup>11</sup>:

1. supporting activities aimed at improving cooperation among those Member States which are particularly affected by the production and distribution of counterfeits;
2. fostering cooperation with authorities of those third countries where there is suspicion of or evidence for counterfeit euro production;
3. maintaining an efficient framework for the protection of the euro in South-East Europe;
4. new developments: security features or authentication methods, the distribution of counterfeits and raw materials on the internet and the involvement of Member States' customs authorities in the fight against currency counterfeiting.

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<sup>9</sup> A comprehensive overview of Pericles actions committed to under the budget for the 2014 Pericles 2020 programme or the budgets for the "Pericles" programme but implemented in 2015 can be found in Annex II.

<sup>10</sup> See COM(2015) 507 final.

<sup>11</sup> The priorities of the programme for 2016 are an essential part of the Annual Work Programme, which is annexed to Commission Decision C(2016) 316 of 27 January 2016 concerning the adoption of the work programme for 2016 of the Pericles 2020 Programme.