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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)

{SWD(2017) 443 final} - {SWD(2017) 444 final}

1. Introduction

The Pericles 2020 programme (hereinafter 'the Programme') is established by Regulation (EU) No 331/2014 of the European Parliament and of the Council on 11 March 2014 (hereinafter 'the Regulation')[1] for the period from 1 January 2014 to 31 December 2020[2]. Pericles 2020 is an exchange, assistance and training programme aiming at promoting actions for the protection of the euro against counterfeiting. The budget for the current programme's implementation is approximately EUR 1 million per year.

The Pericles 2020 programme replaced the Pericles programme. The first programme was established by Council Decision 2001/923/EC of 17 December 2001 for a period of four years (1 January 2002 to 31 December 2005) and it was extended by Council Decision 2006/849/EC of 20 November 2006 until 31 December 2013.

The general objective of the current Programme is to prevent and combat counterfeiting and related fraud, thus enhancing the competitiveness of the EU's economy and securing the sustainability of public finances[3]. More specifically, the Programme protects euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the activities undertaken by the Member States and assisting the competent national authorities (hereinafter 'CNAs') and European authorities in order to develop among themselves and the Commission a close and regular cooperation and an exchange of best practices, where appropriate including third countries and international organisations[4].

According to Article 13 (4) of the Regulation, an independent mid-term evaluation (hereinafter the 'Evaluation') of the Programme shall be presented by the Commission to the European Parliament and to the Council by 31 December 2017. The Evaluation was carried out by an external contractor using an existing Commission Framework Contract. An Inter-Service Steering Group (ISSG) established by DG ECFIN assisted the evaluator ensuring the quality control.

This Communication accompanies a Staff Working Document (SWD) and the report of the contractor on the Evaluation.

The Evaluation covered the different type of actions committed or implemented under the Programme in 2014, 2015 and 1st semester of 2016.

According to Article 13 (4) of the Regulation, the Evaluation addressed, inter alia, the achievements of the objectives of all actions, the relevance, effectiveness, efficiency, sustainability, added value and coherence taking into consideration all elements necessary to support a decision to either renew, modify or suspend the measures/types of actions financed

[1] Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020') and repealing Council Decisions 2001/923/EC, 2001/924/EC, 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC, OJ L 103, 5.4.2014, p. 1.

[2] Council Regulation (EU) 2015/768 of 11 May 2015 extended the application of Regulation (EU) No 331/2014 to the non-participating Member States.

[3] As referred to in Article 3 of the Regulation.

[4] As referred to in Article 4 of the Regulation.

under the Programme. According to the Evaluation all the findings converge towards an unambiguously positive overall assessment. In particular, the Evaluation shows that the Programme has performed very well in respect of all the above mentioned evaluation criteria while taking into account some room for improvement.

2. Assessement on possible renewal, modification or suspension of the Programme

Continuation of the current Programme

The Commission is of the opinion[5] that the Programme should continue until its natural expiry in 2020 based on the following arguments, which are highlighted in the Evaluation:

- All available evidence suggests that the general and specific objectives are relevant and will remain so during the Programme's life;

- The actions of the Programme were typically implemented, planned and achieved the intended outputs having a direct tangible influence on euro protection operational activities;

- 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, as the Programme's added value lies essentially in its ability to support forms of international and transnational 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.

Continuation of the Programme post 2020

Based on the assessment made in the Evaluation, the Commission further supports[6] the continuation of the Programme beyond 2020 given its EU added value, its long-term impact and sustainability:

- The protection of the European single currency as a public good, used by 19 EU Member States and beyond, has a clear transnational dimension. Therefore euro protection goes beyond the interest and the responsibility of individual EU Member States and must by definition be ensured at EU-level. The Programme's EU added value lies in its focus in supporting transnational and multidisciplinary cooperation between a restricted group of highly specialised CNAs, such as national central banks,

[5] In line with Article 13 (4) of the Regulation, the Evaluation assessed all elements necessary to support a decision to either renew, modify or suspend the measures/types of actions financed under the Programme.
[6] In line with Article 13 (5) of the Regulation, the Evaluation also assessed the long-term impact and the sustainability of the effects of the Programme with a view to informing a decision on a possible renewal, modification or suspension of any subsequent programme.

police, judicial authorities and technical laboratories that would otherwise be beyond reach of those national authorities;

- The sustainability of achieved results will depend significantly on the continuation of the Programme until its natural expiry and beyond 2020. Stakeholders confirm that they would not have been able to carry out the implemented transnational actions without the Programme's support and would not be able to implement similar actions in the future should the Programme be discontinued. In addition, discontinuation would have an adverse impact on strengthening the institutional capacity in national authorities, which constitutes the Programme's 'core business'.

Continuation of the Programme post 2020 as a standalone programme

The Commission concurs with the assessment of the Evaluation on the continuation of the Programme as a standalone programme beyond 2020.

An elimination of Pericles 2020 as a standalone programme or its possible merging with other EU programmes to achieve economies of scale would entail a loss in specificity, and more importantly, a considerable erosion of expertise of the highly effective framework protecting the euro. Potential financial savings would be made to the detriment of the current level of euro protection and the ability of the Commission and stakeholders to swiftly react to emerging threats. On the other hand, savings are anyhow achieved through the collectively organised actions under the Programme, in contrast with (potential) individual national initiatives.

In addition, the synergy between the management of the Programme on the one hand and, on the other hand, the designing and implementation of EU policy and legislation for the protection of the euro (on prevention, enforcement and on cooperation), is optimal since one Commission service is in charge of all euro related issues.

3. Way forward

The Commission concurs with the assessment of the Evaluation that a limited number of CNAs apply for funding under the Programme. In particular, Italy, France and Spain are the most frequent implementers of the Programme's actions.

In that respect the Commission also notes that Italy, France and Spain, together with Germany, account for approximately three-quarters of all counterfeit euros detected in circulation. They 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.

The Commission has already taken steps to encourage greater CNAs participation through a more promotional approach.This has led to a growth in first-time CNAs applicants over the past two years with CNAs in Bulgaria, Austria, Portugal and Romania applying for funding for the first time.

The Commission shares the opinion of the Evaluation that the performance indicators currently in use are not fully aligned with the capacity building nature of the Programme's 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 the Programme's actions.

With regard to the performance indicators, the Commission will assess the recommended modification when preparing the Impact Assessment for a possible new generation of the Programme under the next Multi-Annual Financial Framework.