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Mid-Term Evaluation of the Pericles 2020 Programme

FINAL REPORT

27 June 2017

The logo for Economisti Associati, featuring the text "ECONOMISTI ASSOCIATI" in a serif font, with a decorative background of architectural arches.

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Table of Contents

Abbreviations and Acronyms	1
MAIN TEXT	10
1 INTRODUCTION	11
2 PROGRAMME BACKGROUND AND IMPLEMENTATION	14
3 METHODOLOGICAL APPROACH	27
4 RELEVANCE	35
5 EFFECTIVENESS AND SUSTAINABILITY	43
6 EFFICIENCY	56
7 COHERENCE AND EU ADDED VALUE.....	64
8 OVERALL ASSESSMENT AND RECOMMENDATIONS	70
ANNEXES	76
ANNEX A – INFORMATION ON PERICLES 2020 ACTIONS	77
ANNEX C – LIST OF INSTITUTIONS INTERVIEWED	87
ANNEX D – QUESTIONNAIRES FOR INTERVIEWS.....	90
ANNEX E – QUESTIONNAIRE FOR THE SURVEY OF PARTICIPANTS	115
ANNEX F – REPRESENTATIVENESS OF SURVEY RESULTS.....	120
ANNEX G – EURO PROTECTION ENTITIES AND INITIATIVES	123

Abbreviations and Acronyms

AWP	Annual Work Programme
BIBE	Bank of Spain Investigation Unit (Spanish abbreviation)
BNB	Bulgarian National Bank
CAC	Counterfeiting Analysis Centre (of ECB)
CBCDG	Central Bank Counterfeit Deterrence Group
CCAFM	Office of Carabinieri Currency Anti-counterfeiting Unit (Italian abbreviation)
CCEG	Counterfeit Coin Experts Group
CfP	Call(s) for proposals
CMS	Counterfeit Monitoring System
CNA	Competent National Authority
CNAC	Coin National Analysis Centre(s)
DCPJ	Central Directorate of the Judicial Police (French abbreviation)
DG	Directorate(s) General
DG ECFIN	Directorate General for Economic and Financial Affairs
DG HOME	Directorate General for Migration and Home Affairs
DG JUST	Directorate General for Justice and Consumers
DG NEAR	Directorate General for Neighbourhood and Enlargement Negotiations
DG TAXUD	Directorate General for Taxation and Customs Union
EC	European Commission
ECB	European Central Bank
ECEG	Euro Counterfeiting Experts Group
EFTA	European Free Trade Association
EMPACT	European Multidisciplinary Platform against Criminal Threats
EQ	Evaluation Question(s)
ETSC	European Technical and Scientific Centre
EU	European Union
Eurojust	European Union's Judicial Cooperation Unit
Europol	European Police Office
FTE	Full Time Equivalent
HNB	Croatian National Bank (Croatian abbreviation)
Interpol	International Criminal Police Organization
ISF	Internal Security Fund
ISG	Inter-Service Steering Group
JC	Judgement Criterion/a
JIT	Joint Investigation Team(s)
LKA	Lander Criminal Police Office (German abbreviation)
KOM	Kick-off Meeting
MS	Member State(s)
NAC	National Analysis Centre(s)
NCC	National Counterfeit Centre(s)
NCO	National Central Office(s)
OCTA	Organised Crime Threat Assessment
OCRFM	Central Office for Combating Euro Counterfeiting (French abbreviation)
OLAF	European Anti-fraud Office
OPC	Open Public Consultation
SOCTA	Serious and Organised Crime Threat Assessment
SWD	Staff Working Document
TAIEX	Technical Assistance and Information Exchange
TCBC	Technical Central Bank Cooperation (Centre of Germany's Bundesbank)
TOR	Terms of Reference
UCAMP	Ministry of Economy and Finance, Central Means of Payment Antifraud Office (Italian abbreviation)
UCIFM	Italian Central Office of Currency Counterfeiting (Italian abbreviation)
VAT	Value Added Tax

Symbols and Conventions

~ means approximate value

.. means not available

– means not applicable

0 means zero or a quantity less than half than the unit shown

M means million

In all exhibits, totals may not add due to rounding

Terminological Note

In this report frequent reference is made to various types of public entities involved in euro protection activities at different levels. In order to avoid confusion, the following conventions have been adopted:

- The word 'authorities' is used exclusively to designate the national public entities responsible for the protection of the euro in the European Union (EU) Member States or in third countries;
- The expressions 'EU institutions', 'International institutions' and 'EU/International institutions' designate the entities involved, to a varying degree, in euro protection activities at the European and/or international level (European Central Bank, Commission, Interpol, etc.).

The words 'institution' and 'entity' not accompanied by any qualification have a general meaning and may refer to any type of public body.

EXECUTIVE SUMMARY

This report presents the results of the 'Mid-Term Evaluation of the Pericles 2020 Programme' (the 'Evaluation'). Established by Regulation 331/2014 (hereinafter 'Regulation 331'),¹ the Pericles 2020 Programme ('Pericles 2020' or the 'Programme') is a European Union (EU) initiative managed by the Commission and intended to contribute to the protection of the euro. The Evaluation is mandated by Regulation 331 (Article 13.4), which requires that, by 31 December 2017, "*an independent mid-term evaluation report shall be presented by the Commission ... with a view to informing a decision on the renewal, modification or suspension of the measures*".

Euro Counterfeiting and Euro Protection

As any other currency, the euro is exposed to the risk of counterfeiting. If anything, the risk is increased by the euro's positive features, i.e. its global acceptance and stable value, making it an attractive target for counterfeiters. The nature of the threat posed by euro counterfeiting has been evolving over time, with the involvement of criminal groups located in countries outside of the EU (hereinafter 'third countries') and the use of internet as a new distribution channel, and this requires a continuous adaptation of euro protection activities.

The euro protection system encompasses all institutions and activities concerned with the prevention, detection and repression of euro counterfeiting and related fraud. Developed in parallel with the introduction of the common currency, the system is based on various pieces of legislation and comprises several institutions at both the EU and national levels.

At the EU level, the key institutions include: (i) the **European Central Bank** (ECB), which manages the Counterfeit Monitoring System and has direct responsibility for euro banknotes; (ii) the **Commission**, which is responsible for initiating legislation on euro protection, coordinates activities regarding euro coins, provides technical analysis and support to national authorities with regard to euro coins and manages the Pericles 2020 Programme; and (iii) **Europol**, which coordinates law enforcement activities.

In Member States (MS), euro protection is the responsibility of the so called '**Competent National Authorities**' (CNA), which include central banks, law enforcement agencies and other public institutions. In 2015, a total of 94 entities had been appointed as CNA, although some of them are no longer operational or are only nominally involved in euro protection activities.

The Pericles 2020 Programme

Objectives. As outlined in Regulation 331, the general objective of the Programme is to **contribute to "prevent and combat counterfeiting [of the euro] and related fraud"**. Towards this end, the Programme provides financial support to activities intended to **strengthen institutional capabilities to protect the euro in MS and third countries**.

Purpose. Pericles 2020 can broadly be qualified as a **capacity building, information dissemination and networking initiative**. Its activities are aimed at: (i) raising awareness of the threat posed by euro counterfeiting; (ii) promoting closer and more regular coordination and cooperation among relevant institutions; (iii) enhancing the operational capabilities of staff; and (iv) developing improved tools and methods in the areas of euro counterfeit prevention, detection and repression. The Programme is also actively involved in supporting the **improvement of the legal and institutional framework for euro protection**, namely in connection with the general framework established by the 1929 Geneva Convention on Currency Counterfeiting.

Basic Principles. Pericles 2020 is inspired by three key principles, namely: (i) **transnationality**, which entails the requirement that all Programme activities see the participation of at least two countries; (ii) **multidisciplinarity**, which is intended to facilitate

¹ Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014.

the adoption of an integrated approach to euro protection; and (iii) **complementarity**, with Programme activities intended to supplement and not to replace other euro protection initiatives implemented by MS or by EU/international institutions.

Priorities. *Pericles 2020's strategy focuses on four priority areas*, namely: (i) supporting EU MS particularly affected by euro counterfeiting (most notably France, Germany, Italy, and Spain); (ii) fostering cooperation with third countries where there is evidence for or suspicion of counterfeit euro production (including China, the Maghreb region, and Latin America); (iii) maintaining an efficient framework for the protection of the euro in South Eastern Europe (including Turkey); and (iv) addressing new developments and challenges (such as new security features or authentication methods, distribution on the internet, technical developments in coin processing industry, etc.).

Target Groups. In line with its multidisciplinary approach, *Pericles 2020 seeks to benefit a wide range of target groups*, including: (i) law enforcement authorities (police, customs, ministries of interior, intelligence personnel); (ii) monetary authorities (national central banks, mints); (iii) judiciary authorities (ministries of justice, judges, prosecutors); (iv) commercial banks and other financial sector operators (money exchange or transport companies, etc.); and (v) other private sector organisations (bankers' associations, etc.).

Instruments. *Pericles 2020 activities include six types of actions*, namely: (i) conferences, large events aimed at disseminating information on important topics and fostering networking relevant players; (ii) workshops, which serve a similar purpose, but are generally smaller and more focused initiatives; (iii) trainings, aimed at increasing staff capabilities, with a special focus on third country institutions; (iv) staff exchanges, serving the same purpose, but usually targeted at smaller audiences; (v) studies, intended to develop new knowledge that can be use in euro protection activities; and (vi) provision of equipment to anti-counterfeiting authorities in third countries.

Budget and Management. *Pericles 2020 has a total budget of € 7.34 million* for the 2014–2020 period, i.e. around € 1 million per year. Since January 2015, *the Programme is managed by DG ECFIN* and activities are undertaken on the basis of a three-year rolling strategy and Annual Work Programmes. Advice on the strategic orientation of and planning for the Programme, including the endorsement of priority areas, is provided by the Euro Counterfeit Expert Group (ECEG), a group of national counterfeit experts from all 28 MS as well as representatives from the Commission, ECB, and Europol.

Operating Modalities. *Pericles 2020 actions are implemented through the provision of grants to CNA or directly by DG ECFIN*, through so called 'direct actions'. Grants are provided on the basis of Calls for Proposals, while direct actions are implemented via procurement contracts. The annual distributions vary, but around 70% of the annual budget is commonly allocated to grants and 30% to direct actions.

Earlier Operations. *Pericles 2020 follows on an earlier EU programme with a similar purpose, the Pericles Programme*, which was established in 2002 and remained operational until end 2013. *Pericles 2020 largely builds upon the experience gained with its predecessor and, while it includes some innovations regarding operational aspects, the two initiatives share the same objectives and strategic approach, de facto being one the continuation of the other.*

The Evaluation

Objectives. As indicated in the Terms of Reference, the **objective** of the Evaluation is to "provide an assessment of the Programme to date" (page 3). This is to be complemented with "a short analysis of how the recommendations of previous evaluations were taken on board" and "an outlook on the future activities of the Programme". In practice, the exercise can be characterised as a 'classical' interim evaluation, **combining a retrospective assessment with a forward looking element.**

Focus. The Evaluation makes reference to the evaluation criteria typically used in the assessment of EU programmes, namely: (i) **relevance** of Programme's objectives and operational instruments; (ii) **effectiveness** of Programme interventions (in terms of outputs, outcomes and impact); (iii) **sustainability** of the results achieved by the Programme; (iv) **efficiency** in the use of resources deployed; (v) **coherence** of Pericles 2020 activities with other interventions; and (vi) **EU added value** of the Programme.

Scope. The Evaluation primarily focused on the Pericles 2020 actions for which a commitment was made by 30 June 2016. In practice, the exercise involved the **analysis of 27 actions**, involving a total initial EU budgetary commitment of about € 2.3 million (i.e. about one third of total Pericles 2020 resources). For the purpose of assessing long term effects, the analysis of Pericles 2020 actions was supplemented with the review of **selected actions supported by the previous Pericles Programme**.

Approach. The exercise was carried out in line with the principles commonly applied for the evaluation of EU initiatives, as enshrined in the **Better Regulation Guidelines**. Fact finding work involved the review of a variety of documentary sources, interviews with various institutions, and an online survey. Owing to the peculiar feature of the Programme, the Evaluation was exempted from carrying out of an open public consultation. This was compensated by extensive consultations with stakeholders, involving **interviews with 56 entities** as well as the **surveying of 227 participants in Pericles 2020 actions**.

Key Findings

Relevance

All available evidence definitely suggests that **the general and specific objectives are relevant and are likely to remain so during the Programme's life**. Concerning euro protection in general, while data show that the integrity of the euro is currently not threatened, all the stakeholders concur that vigilance must remain high. In a similar vein, 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. In the EU, most CNA have reached a good, sometimes excellent, level of preparedness, but some gaps still exist (especially in new MS) or may emerge due to the evolving nature of the threat. In third countries, some progress has been achieved (also thanks to Pericles 2020 and its predecessor) in selected areas (Colombia, Peru, South Eastern Europe), but most stakeholders concur that **institutional strengthening needs are still substantial**.

The assessment is equally positive regarding the Programme's strategic priorities. Pericles 2020's target geographies correspond to the countries/areas considered at risk regarding the production and/or circulation of euro counterfeit, and this orientation has been duly translated in operational terms, with a concentration of efforts in those countries/areas. The attention devoted to China is also well justified by the growing role played by this country as a source of counterfeit components and, if anything, stakeholders suggest an even stronger focus on China in the future. Thematic priorities are also aligned with needs, with the strong focus on counterfeiting through the web highly praised by stakeholders.

Pericles 2020's set of instruments is well suited to the purpose. Conferences, workshops, trainings and staff exchanges serve different but complementary purposes and are generally highly appreciated by stakeholders. Views are more divided regarding studies, but reservations appear to concern the subject being studied rather than the instrument per se. The attention paid by the Programme to more technical themes (innovative security features for euro coins) is likely to enhance the perceived usefulness of this instrument. Finally, the procurement of equipment to be transferred to third country authorities is viewed with certain scepticism by some stakeholders, but the instrument is quite new (it was not used by any of the actions reviewed for this Evaluation) and no judgement can be passed at this stage.

Pericles 2020's multidisciplinary approach is unanimously praised by stakeholders and participants in Pericles 2020 events, who consider the involvement of persons with different professional backgrounds a central tenet of a successful euro protection strategy. In response to earlier evaluations, the Programme has made efforts to increase the participation of representatives from the judiciary and although the results achieved are positive (the judiciary represents 13% of all participants), some stakeholders would like to see further efforts towards engaging this target group in more Pericles 2020 actions.

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 only marginal changes in the work plans. Only one action out of 27 incurred significant delays, due to well justified reasons. The number of participants in events is largely in line with expectations, and the difference is negligible considering the difficulties of organising large international events. **The Programme was successful in broadening its reach** beyond the EU 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.

The quality of support provided is also high. The feedback provided by participants immediately after the 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 third country authorities providing a fairly enthusiastic assessment on virtually all aspects and CNA appreciating in particular the possibility of establishing new contacts in both MS and third countries and the information acquired on novel topics (counterfeiting through the web).

Available evidence suggests that the outputs delivered have translated into tangible outcomes. There are, however, significant variations across the various stakeholder groups regarding the type of progress recorded. Improvements in operational capabilities and the adoption of improved methods (e.g. more effective procedures for dealing with suspected counterfeits) are emphasised by third country authorities/participants, while smaller progress is reported by their European counterparts, which in most cases have already a solid experience in euro protection. In contrast, improvements in international cooperation are emphasised by EU national authorities, which almost invariably report substantial progress in the level and quality of interactions with sister organisations in both EU and third countries. Positive developments in terms of cooperation are also reported by third country authorities, but on a much smaller scale.

Pericles 2020 also contributed to the setting up of institutions and the adoption of legislation aimed at improving euro protection. While institutional and legal reforms are rarely the result of a single factor, there is little doubt that Pericles 2020 and its predecessor played an important role in the establishment of key institutions in Latin America as well as in the passing of important legislation in South Eastern Europe (e.g. a recent regulation on cash operations in Kosovo²).

Pericles 2020's contribution to euro protection operational activities is positive, but difficult to precisely assess in quantitative terms. Available data on the performance indicators specified in the legal base for the Programme suggests that Pericles 2020 is broadly on track to achieve the intended targets. However, these indicators, concerning the number of counterfeits detected in circulation, number of illegal workshops dismantled, etc., refer to the results of operational activities and are only partly connected with Pericles 2020 capacity building activities. Irrespective of the above, there is evidence that, in selected situations, the Programme has indeed exerted a direct tangible influence on euro protection operational activities. This is particularly the case of Latin American countries, where all stakeholders concur that an unknown

² This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

but significant share of the counterfeited euro banknotes seized over the last decade, with a total face value of some € 40 million, can legitimately be attributed to Pericles 2020 and its predecessor.

Available evidence suggests that the improvements in institutional capabilities resulting from Pericles 2020 actions are likely to have a lasting effect. All but two individuals participating in Programme events still work for the same institution, and such a remarkable degree of job stability is a good precursor for sustainability. More important, third country authorities have adopted measures to disseminate the information, contacts, etc. acquired through the participation in Pericles 2020 actions, sometimes reaching a substantial number of staff.

Efficiency

The institutional arrangements established for the implementation of the Programme are well suited to the purpose. The transfer of responsibilities from OLAF and DG ECFIN was smooth and did not have any negative influence on operations. Programming documents provide a good reference framework for capacity building activities and contain the information required by the CNA interested in applying for managing Pericles 2020 actions. ECEG is an effective forum for the discussion of priorities and coordination of capacity building plans and is also a key channel for the dissemination of information on the Programme to interested parties.

Administrative procedures are broadly appropriate and do not constitute an appreciable obstacle for participation in the Programme. CNA having implemented Pericles 2020 actions have faced some challenges, especially in the application stage. However, the time required to prepare applications (on average, little more than 8 staff/days) does not seem unreasonable and the assistance provided by the DG ECFIN staff in charge of the Programme is widely appreciated. The innovations introduced by Pericles 2020 compared with its predecessor (e.g. broader definition of reimbursable costs) are also appreciated by stakeholders, although there is room for some further smaller improvements. Most importantly, consultations with the CNA that have not (yet) applied for implementation of Pericles 2020 actions reveal that the decision to not participate is not appreciably influenced by concerns regarding the complexity of procedures, but rather based on other, more fundamental factors (i.e. euro counterfeiting not being a pressing problem in their countries, scarcity of human resources).

The current level of EU contribution is also broadly appropriate. The increase of the maximum EU contribution compared with the previous Pericles Programme is definitely appreciated by CNA. A further increase of the EU contribution would obviously be welcomed, but it is unlikely to significantly broaden the number of CNA interested in applying for the implementation of Pericles 2020 actions. At the same, since the total financial envelope is fixed, increasing the grant element of CNA-implemented actions would inevitably entail a reduction in DG ECFIN direct actions.

Evidence suggests 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. In particular, the staff costs charged by CNA are quite reasonable (typically € 300-400 for senior staff) and much lower than typical consultant fees. The cost per person participating in Pericles 2020 actions varies considerably, with actions implemented in distant third countries being quite expensive. However, Pericles 2020's average EU contribution of € 964/participant is well aligned with the corresponding values of other EU-funded programmes providing support to national public entities and having similar operational modalities (Fiscalis 2013 € 999/person and Customs 2013 € 900/person).

Pericles 2020 shows a high incidence of overhead costs. Pericles 2020 is a small programme and overheads, although limited in absolute terms, account for 27% of annual operational expenditure, which is definitely on the high side. 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

Pericles 2020 activities can be regarded as fully complementary with national euro protection initiatives, with no overlapping whatsoever. The fulfilment of Pericles 2020's strict transnationality requirement is carefully scrutinized during the selection of the actions to be implemented and this per se minimises the risk of overlapping with national initiatives. Furthermore, national initiatives mostly consist of fairly basic training and demonstration activities to cash operators and financial sector employees, an area of intervention that has been only marginally covered by the Programme and only in non-EU countries.

Pericles 2020 activities effectively complement also other EU and international euro protection initiatives. Pericles 2020's distinct transnational approach and focus on capacity building set it apart from the majority of EU level and international initiatives, which rarely simultaneously display the same features. Indeed, several CNA and third country authorities have been involved in other euro protection initiatives run by the ECB, Europol, Interpol or other Commission-managed programmes (e.g. TAIEX in South Eastern Europe), but they regard Pericles 2020 as fairly unique, effectively complementing other initiatives. At the operational level, coordination is greatly facilitated by the participation of all key stakeholders in ECEG meetings, during which Pericles 2020 plans are presented and discussed.

The Programme's added value lies essentially in its ability to support forms of international cooperation that are beyond the reach of national authorities. 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 findings converge towards an unambiguously positive overall assessment. There is room for smaller improvements, but there is no doubt that Pericles 2020 **scores 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. Under these conditions, bearing in mind the purpose of this Evaluation, **the continuation of the Programme until its natural expiry in 2020 as well as in the future is definitely recommended.**

Recommendation #1: Continued Emphasis on China and Internet. The risks posed by China and internet have already been the subject of significant work during the initial phase of Pericles 2020 but the two themes continue to rank quite high in the list of the 'new threats' and there is a keen interest in further activities, aimed at strengthening contacts with relevant government bodies (China) and improving investigative approaches (deep/dark net).

Recommendation #2 - Fine Tune Administrative Procedures. While administrative procedures are broadly appropriate, some further improvement could be achieved through: (i) a better alignment of the daily subsistence allowances with the cost conditions prevailing in certain countries; and (ii) the possibility of submitting applications and other relevant documentation online, which would smooth the interactions between DG ECFIN and CNA.

Recommendation #3 - Encourage Greater CNA Participation. The reasons leading to the non-participation of many CNA in the Programme are unlikely to spontaneously disappear in the foreseeable future. However, there are indications that, in selected cases, a more 'aggressive'

marketing strategy on the part of DG ECFIN (entailing contacts with high level decision makers) may increase the propensity to apply.

Recommendation #4 - Revise Performance Indicators. Consideration should be given to replacing or at least complementing the performance indicators currently in use with a set of measures that can more accurately capture the results of Pericles 2020 capacity building actions. However, the development of a new set of indicators requires time as well as the mobilisation of resources for the collection of the related information. Therefore, the introduction of new indicators does not seem feasible in the short term and should only be considered when the Programme is extended beyond 2020.

MAIN TEXT

1 INTRODUCTION

This Draft Final Report (the 'Report') was prepared within the framework of the 'Mid-Term Evaluation of the Pericles 2020 Programme' (the 'Evaluation' or the 'Assignment'). The Report is submitted to the European Commission (EC) Directorate General for Economic and Financial Affairs (DG ECFIN) by a grouping of consulting firms and research institutions led by Economisti Associati (hereinafter collectively referred to as 'the Consultants').

1.1 The Pericles 2020 Programme

The Pericles 2020 Programme (hereinafter 'Pericles 2020' or the 'Programme') is a European Union (EU) initiative intended to contribute to the **protection of the euro**. In particular, the Programme provides financial support to activities intended to **strengthen the capacity to prevent and combat counterfeiting of the euro and related fraud** in relevant authorities in EU Member States (MS) as well as in countries outside of the EU (hereinafter 'third countries').

Pericles 2020 was established by **Regulation 331/2014**³ (hereinafter 'Regulation 331') for the period from 1 January 2014 to 31 December 2020. The application of the Programme was also extended to non-participating MS.⁴ Managed by DG ECFIN, the Programme has a total budget of **€ 7.34 million**, which corresponds to an allocation of around € 1 million per year.

Pericles 2020 follows on an earlier EU programme with a similar purpose, the **Pericles Programme**. Managed by the European Anti-Fraud Office (OLAF), the Pericles Programme was established in 2001,⁵ initially for a period of four years (1 January 2002 to 31 December 2005) and subsequently extended until 31 December 2013.⁶

Pericles 2020 largely builds upon the experience gained with its predecessor.⁷ Indeed, while Pericles 2020 includes some innovations regarding operational aspects, **the two initiatives share the same objectives and strategic approach**, de facto being one the continuation of the other.

1.2 Nature of the Evaluation

Purpose. The Evaluation is **mandated** by Regulation 331, Article 13(4), which requires that, by 31 December 2017, *"an independent mid-term evaluation report shall be presented by the Commission ...with a view to informing a decision on the renewal, modification or suspension of the measures."* As indicated in the Terms of Reference (TOR), the **objective** of the Evaluation is to *"provide an assessment of the Programme to date"* (page 3). This is to be complemented by *"a short analysis of how the recommendations of previous evaluations were taken on board"*⁸ and *"an outlook on the future activities of the Programme"*. In practice, the Assignment can be characterised as a 'classical' interim evaluation, **combining a retrospective assessment with a forward looking element**.

Focus. The Evaluation makes reference to the **evaluation criteria** typically used in the assessment of EU programmes, namely: (i) relevance of the Programme's objectives and operational instruments; (ii) effectiveness of Programme interventions (in terms of outputs, outcomes and impact); (iii) efficiency in the use of resources made available by the Programme;

³ Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014.

⁴ Council Regulation (EU) No 2015/768 of 11 May 2015, and applicable as of 1 January 2014.

⁵ Council Decision 2001/923/EC of 17 December 2001.

⁶ Council Decision 2006/849/EC of 20 November 2006.

⁷ The linkages between Pericles 2020 and the previous programme are extensively discussed in the impact assessment for the former. See EC, 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 (hereinafter referred to as the 'Impact Assessment').

⁸ The reference here is primarily to the mid-term evaluation of the previous Pericles Programme. See OLAF, Evaluation of the Pericles Programme, Final Report", Commission Staff Working Document SWD(2013) 304 final, June 2013 (hereinafter referred to as the 'Previous Evaluation').

(iv) sustainability of the results achieved by the Programme; (v) coherence of Programme activities with other interventions; and (vi) EU added value of the Programme. The specific aspects to be analysed by the exercise were spelled out in the TOR in the form of a series of **evaluation questions** linked to the above evaluation criteria.

Scope. The Evaluation primarily focused on the Pericles 2020 initiatives ('actions') for which a commitment was made by 30 June 2016. In practice, the exercise involved the **analysis of 27 actions**, involving a total initial EU budgetary commitment of about € 2.3 million (i.e. about one third of total Pericles 2020 resources). For the purpose of assessing long term effects, the analysis of Pericles 2020 actions was supplemented with the review of **selected actions supported by the previous Pericles Programme**.

Approach. The Evaluation exercise involved a comprehensive review of the Programme, with the assessment of the design, delivery mechanisms and results achieved. This involved in particular: (i) the reconstruction of the Programme's **intervention logic**, describing the linkage between the resources deployed and the intended results; (ii) the development of a comprehensive **evaluation framework**, in order to structure the collection of information and guide the interpretation of findings; and (iii) various **fact finding activities**, including the review of variety of documentary sources, interviews with stakeholders, and a survey of participants in Pericles 2020 actions.

1.3 Operational Aspects

Management and Timing. The Evaluation was managed by **DG ECFIN – Unit C5**: Euro Protection and Euro Cash, with the assistance of an **Inter-Service Steering Group (ISG)**. Comprised of representatives of concerned Commission services, the ISG provided feedback on the reports submitted by the Consultants at various points during implementation.

Timeline. The specific contract for the Evaluation became effective on 4 August 2016 and is due to expire on 30 June 2017. Work de facto started in September 2016, with the kick-off meeting (KOM) with the ISG held on 14 September 2016. The Evaluation is expected to be completed by end May 2017, with an **effective duration of about 9 months**.

Activities. The exercise was subdivided into **three phases**, namely: (i) an Inception Phase; (ii) a Data Collection Phase; and (iii) an Analysis and Reporting Phase. The **Inception Phase** was devoted to the firming up of the methodological framework and the development of tools to be used in fact finding work. Inception work was completed in late December 2016 with the submission and approval of the Inception Report.⁹ The **Data Collection Phase** mostly consisted of interviews with various institutions as well as a survey of participants in Pericles 2020 initiatives (see paragraph below). Work started in early January 2017 and continued until early April, resulting in the submission of the Intermediate Report.¹⁰ The **Analysis and Reporting Phase** started immediately thereafter, with the review and consolidation of findings, eventually leading to the preparation of this Report. The Report is expected to be discussed at an **ISG meeting** to be held on held in Brussels on 30 May 2017.

Stakeholder Consultations. Owing to the peculiar feature of the Programme as well as the confidential nature of some of its activities, the Evaluation was exempted from carrying out of an open public consultation (OPC), which typically constitutes a key element in the evaluations of EU initiatives. However, the absence of an OPC was compensated by extensive consultations with stakeholders. As further detailed in Section 3, this entailed **interviews with 56 entities** involved in Programme actions or, more generally, in other euro protection activities as well as the **surveying of 227 participants in Pericles 2020 actions**.

⁹ Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Final Inception Report, 19 December 2016 (hereinafter referred to as the 'Inception Report').

¹⁰ Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Intermediate Report, 12 April 2017 (hereinafter referred to as the 'Intermediate Report').

1.4 Structure of the Report

The remainder of this Report is structured as follows:

- Section 2 reviews the key features of the Programme and its implementation;
- Section 3 illustrates the evaluation methodology;
- Section 4 presents the findings related to relevance;
- Section 5 focuses on effectiveness and on the sustainability of the results achieved;
- Section 6 analyses the evidence on efficiency;
- Section 7 presents the evidence concerning coherence and EU added value;
- Section 8 provides an overall assessment and recommendations for the future.

The Report also includes **seven Annexes** as follows:

- Annex A, with detailed information on the Pericles 2020 actions;
- Annex B, with the full-fledged evaluation matrix;
- Annex C, with the list of all the entities interviewed;
- Annex D, with the questionnaires used for interviews;
- Annex E, with the questionnaire used for the survey of participants; and
- Annex F, with some considerations on the survey of participants
- Annex G, with some information on various euro protection organisations and initiatives.

2 PROGRAMME BACKGROUND AND IMPLEMENTATION

2.1 Euro Counterfeiting and Euro Protection

2.1.1 Phenomenon of Euro Counterfeiting

The euro is currently the legal tender in 19 EU MS as well as in some other European countries, being **used daily by some 340 million people**. In addition, the currencies of around twenty other countries in Europe and Africa, with a population in excess of 200 million, are pegged to the euro. The euro is the second largest reserve currency as well as the second most traded currency in the world after the United States dollar. According to data from the European Central Bank (ECB), at the end of 2016, there were some 20 billion euro banknotes and 120 billion euro coins in circulation, **worth a total of some € 1.1 trillion**.¹¹

As any other currency, the euro is exposed to the risk of counterfeiting. If anything, the **risk is increased by the euro's positive features**, i.e. its global acceptance and stable value, owing to low rates of inflation, which make the currency a potentially attractive target for counterfeiters. Indeed, euro counterfeiting has seen the **involvement of organised crime**, characterised by a fairly complex structure, with separate, specialised actors active at the production (i.e. the illegal printing), wholesale and retail levels.

The nature of the threat posed by euro counterfeiting has been evolving over time.¹²

While euro counterfeiting has always been an inherently international phenomenon, recent years have seen a growing interest on part of criminal groups located in third countries. At the same time, technological developments have made it easier to access good quality hologram emulations, while the development of internet has opened alternative distribution channels to counterfeiters. Taken together, **these factors require a continuous adaptation to counter the threat**.

2.1.2 Euro Protection

The euro protection system encompasses all institutions and activities concerned with the **prevention, detection and repression of euro counterfeiting and related fraud**. Developed in parallel with the introduction of the common currency, the system is based on various pieces of legislation and comprises several institutions at both the EU and national levels. The system consists of two main elements, the so called 'technical analysis' component and the 'law enforcement' component.

Technical Analysis Component. This component is concerned with the prevention and detection of euro counterfeiting, through the conception of euro notes and coins with enhanced security features and the analysis and removal from circulation of the counterfeits. The **relevant legislation** includes Regulations 1338/2001 and 1339/2001 on protective measures against counterfeiting,¹³ and Regulation 1210/2010 on the authentication of coins,¹⁴ complemented by Decisions of the European Central Bank (ECB).¹⁵ At the **institutional level**, responsibility for the protection of euro banknotes is subdivided between the National Analysis Centres (NAC) established at the MS level and the Counterfeiting Analysis Centre (CAC), established within

¹¹ For some general information on the use of the euro see <https://www.ecb.europa.eu/euro/intro/html/index.en.html>.

¹² For a summary of recent developments, see DG ECFIN, Update of the Pericles 2020 strategy: priority action points (as appended to the Pericles 2020 Annual Work Programme for 2017).

¹³ Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (and Amending Regulation 44/2009); 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 (and Amending Regulation 45/2009).

¹⁴ Regulation (EU) 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.

¹⁵ Decision of the European Central Bank of 19 April 2013 on the denominations, specifications, reproduction, exchange and withdrawal of euro banknotes (ECB/2013/10); Decision of the European Central Bank of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (ECB/2010/14).

ECB. In the case of euro coins, the relevant institutions include the Coin National Analysis Centres (CNAC) active in the MS and the European Technical and Scientific Centre (ETSC), hosted by the Commission. Information regarding both banknotes and coins counterfeits is consolidated by the National Counterfeit Centres (NCC) and the ECB's Counterfeit Monitoring System (CMS).¹⁶

Law Enforcement Component. This component includes the investigative and judicial activities for the prevention and repression of euro counterfeit and related fraud. Regarding **legislation**, the main pieces of EU legislation are Council Regulation (EC) 1338/2001 and Directive 2014/62 on euro protection.¹⁷ In turn, the Directive builds upon the 1929 International Convention for the Suppression of Counterfeiting Currency (hereinafter the 'Geneva Convention'), which provides the basic framework for the fight against counterfeiting at the international level. At the **institutional level**, responsibility for law enforcement activities in MS lies with the National Central Offices (NCO), which are entities established under the Geneva Convention. At the EU level, coordination of law enforcement activities is ensured by the European Police Office (Europol), which is the designated central office (within the meaning of Article 12 of the Geneva Convention) for combatting euro counterfeiting EU-wide.

Box 2.1 Other Entities Contributing to Euro Protection

Other entities actively contributing to euro protection include the Central Bank Counterfeit Deterrence Group (CBCDG), the EU Judicial Cooperation Unit (Eurojust), and the International Criminal Police Organization (Interpol). Comprising the ECB and the central banks of some thirty countries, the **CBCDG** investigates emerging threats to the security of banknotes, with special emphasis on the development and adoption of technologies that prevent the digital printing of counterfeit banknotes. **Eurojust** and **Interpol** are active in the judicial and law enforcement area respectively, with the provision of strategic advice and operational assistance to national authorities (e.g. sharing of statistics, analysis of counterfeits, support to joint investigations, etc.). An overview of euro protection entities (and initiatives) is provided in Annex G.

Role of National Authorities. Most of the operational work is carried out at the MS level by the so called **Competent National Authorities** (CNA). CNA include the national institutions acting as NAC, CNAC, NCC and NCO or otherwise involved in euro protection work (technical tests, investigations, etc.). The CNA are officially appointed by MS governments and the most recent list of CNA published in 2015 includes 94 authorities across all MS.¹⁸ The number and nature of CNA varies across MS: the vast majority are law enforcement institutions (police, customs) and monetary authorities (central banks and mints), but in certain countries CNA also include judicial authorities and/or other government entities (e.g. ministries of finance).

Role of the Commission. The Commission plays an active role in four main areas. On the **legislative front**, the Commission is responsible for initiating all EU legislation concerning euro protection and for overseeing to its proper implementation. At the **operational level**, the Commission – through ETSC – is responsible for coordinating EU-wide activities on euro coins counterfeiting, including the analysis and classification of counterfeit coins, the provision of assistance to CNAC and the implementation of authentication procedures for coin-processing machines. The Commission is also active in **fostering cooperation** among the various players involved in the euro protection system, namely through the setting up of coordination fora. These include notably the Euro Counterfeiting Experts Group (ECEG) as well as, through ETSC, the Counterfeit Coin Experts Group (CCEG), which both group counterfeit experts from MS and EU institutions. Finally, the Commission is actively supporting the **development of institutional capabilities** in euro protection, through the provision of assistance to CNA and similar authorities in third countries. This support is largely provided via the Pericles 2020 Programme.

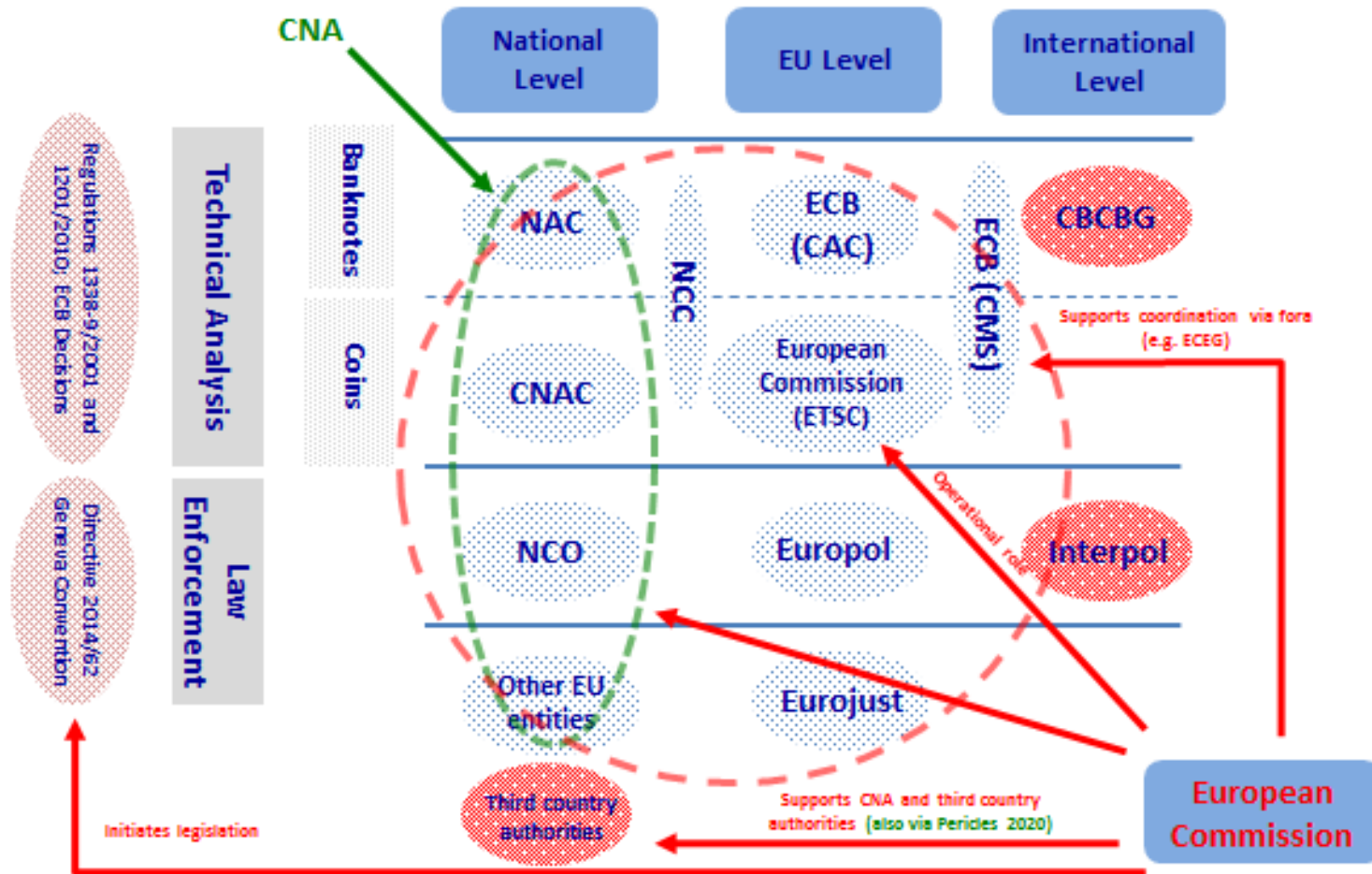
¹⁶ Decision of the European Central Bank of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS) (ECB/2001/11).

¹⁷ Council Regulation (EC) 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting and Directive (EU) 2014/62 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.

¹⁸ 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)).

The overall structure of the euro protection system, is presented in Exhibit 2.1 overleaf, which highlights in particular the role played by the Commission.

Exhibit 2.1 Architecture of the Euro Protection System¹⁹



¹⁹ Adapted, with modifications, from Pierini L, The European Legal framework for the protection of the euro - Present and prospects, presentation to the Conference 'A Community Strategy to Protect the Euro in the Mediterranean Area', Tripoli, 25-27 May 2010.

2.2 Pericles 2020 Salient Features

2.2.1 Objectives and Nature

Objectives. As outlined in Regulation 331 (Article 3), Pericles 2020's **general objective** is to contribute to "prevent and combat counterfeiting [of the euro] and related fraud" towards, ultimately, "enhancing the competitiveness of the [EU] economy and securing the sustainability of public finances". To support this aim, the Programme's **specific objective** is to contribute to enhance the capacity to protect the euro in CNA and in relevant authorities in third countries.

Nature. Pericles 2020 can broadly be qualified as a **capacity building, information dissemination and networking initiative**. Its activities are aimed at: (i) raising awareness of the threat posed by euro counterfeiting; (ii) promoting closer and more regular coordination and cooperation among relevant authorities and other actors (financial institutions); (iii) enhancing the operational capabilities of staff involved in euro protection activities; and (iv) developing improved tools and methods in the areas of euro counterfeit prevention, detection and repression.

The Programme is also actively involved in supporting the **improvement of the legal and institutional framework for the euro protection**. In this area, following the earlier efforts deployed under the previous Pericles Programme, Pericles 2020 is particularly active in supporting the creation and/or strengthening of the basic legal and institutional 'infrastructure' envisaged by the Geneva Convention and further confirmed by Council Regulation (EC) 1338/2001, namely the setting up of NCO.

2.2.2 Strategic Orientations

Basic Principles. Pericles 2020 is inspired by three key principles, namely:

- **Transnationality**, which translates into the requirement that all Programme activities see the participation of at least two countries;
- **Multidisciplinarity**, which is intended to facilitate the adoption of an integrated approach to euro protection; and
- **Complementarity**, with Programme activities intended to supplement and not to replace other euro protection initiatives implemented by MS authorities, EU institutions and international bodies.

Priorities. The Programme strategy focuses on **four priority areas**, namely:

- Supporting EU MS particularly affected by euro counterfeiting and related fraud (most notably France, Germany, Italy and Spain);
- Fostering cooperation with third countries where there is evidence for or suspicion of counterfeit euro production (including China, the Maghreb region, and Latin America);
- Maintaining an efficient framework for the protection of the euro in South Eastern Europe (including Turkey); and
- Addressing new developments and challenges (such as new security features or authentication methods, distribution on the internet, technical developments in the coin processing industry, etc.).

Target Groups. In line with its multidisciplinary nature, Regulation 331 (Article 7.1) specifies that the Programme should seek to benefit a **wide range of target groups**, including:

- Law enforcement authorities (police, customs, ministries of interior, intelligence personnel);
- Monetary authorities (national central banks, mints);
- Judiciary authorities (ministries of justice, judges, prosecutors);
- Commercial banks and other financial sector operators (active in money exchange, money transport, etc.); and
- Other private sector organisations (e.g. bankers' associations).

Instruments. The Programme relies on **six main instruments**, commonly referred to as 'actions', namely:

- Conferences, which are large events aimed at disseminating information on euro protection topics and at fostering networking relevant players;
- Workshops, which serve a similar purpose but are generally smaller and more focused initiatives;²⁰
- Trainings, aimed at increasing staff capabilities, with special focus on third country authorities;
- Staff exchanges, serving the same purpose but usually targeted at smaller audiences;
- Studies, intended to develop new knowledge that can be use in euro protection activities and which may cover socio-economic as well as technical themes; and
- The provision of equipment to anti-counterfeiting authorities in third countries.

2.2.3 Budget and Management

Budget. *Pericles 2020 has a total budget of € 7.34 million* for the 2014 – 2020 period, i.e. around € 1 million per year. Funds are used for: (i) the provision of grants to CNA interested in implementing actions ('CNA-implemented actions'); and (ii) the financing of actions implemented directly by DG ECFIN ('direct actions'). The annual distributions vary, but around 70% of the annual budget is commonly allocated to CNA-implemented actions and 30% to direct actions.

Management. Until the end of 2014, the Programme was managed by the European Anti-fraud Office (OLAF), which was the entity responsible for managing the previous Pericles Programme. As of January 2015, **Pericles 2020 is managed by DG ECFIN**, the lead service being Unit C5: Euro Protection and Euro Cash. Activities are undertaken on the basis of a three-year rolling strategy and Annual Work Programmes (AWP). Advice on the strategic orientations of and planning for the Programme is provided by the **Euro Counterfeiting Experts Group (ECEG)**, a group of national counterfeit experts from all 28 MS as well as representatives from the Commission, ECB, and Europol. In particular, the ECEG is called to endorse the Programme's priority areas, which are incorporated into the AWP.

2.3 Programme's Intervention Logic

The 'intervention logic' is a logical model describing in diagrammatic form the linkages between the various elements comprising a certain intervention. Pericles 2020's intervention logic can be described with reference to six main elements, namely:

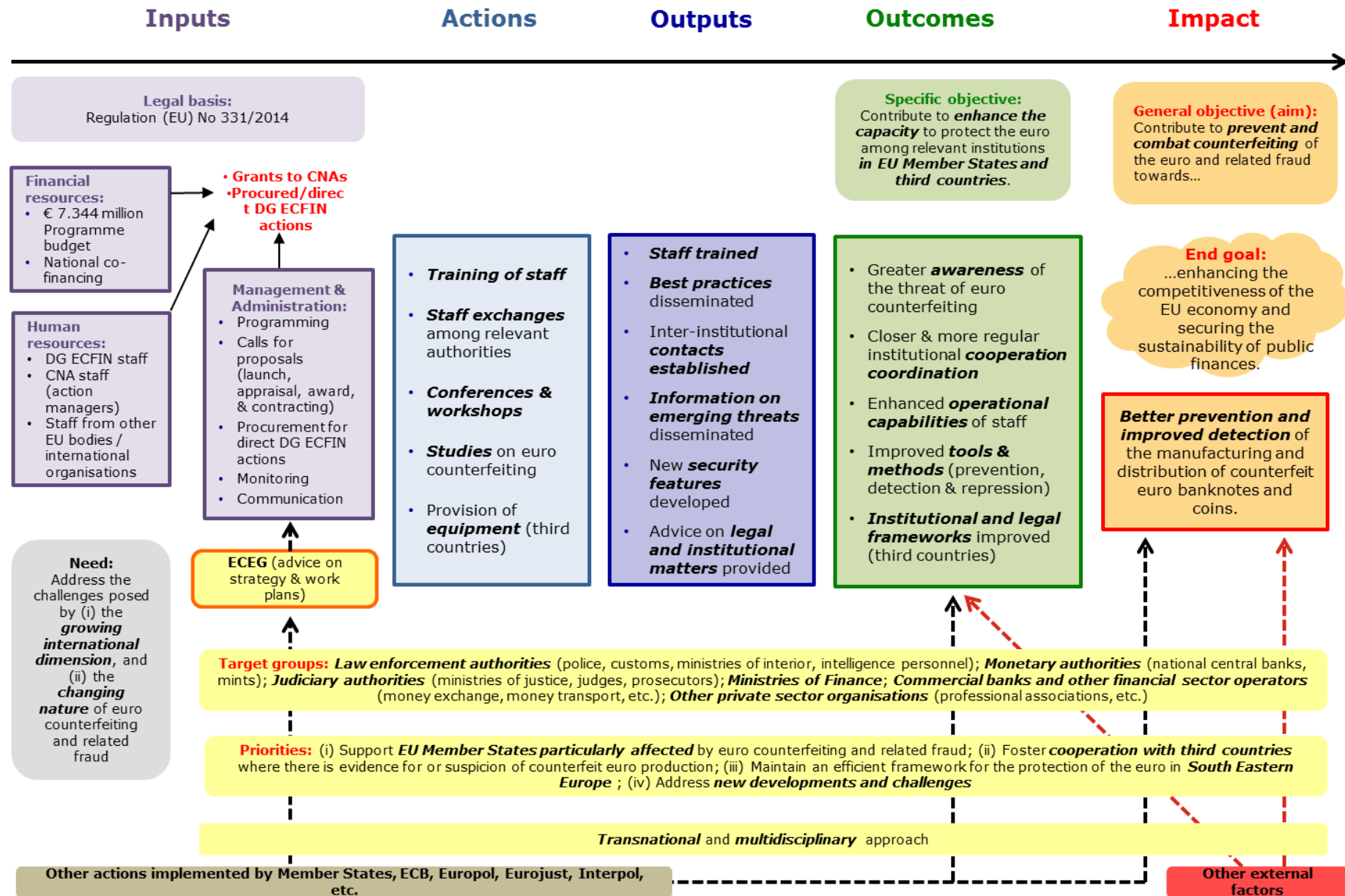
- The first element refers to the **needs** addressed by the Programme, i.e. the growing international dimension and changing nature of euro counterfeiting;
- The second consists of the **inputs** available to address these needs, which include the Programme's financial, human and managerial/administrative resources as well as the resources of the other entities involved;
- The third concerns the actual deployment of available resources through the implementation of Pericles 2020 **actions**, i.e. the organisation of conferences, staff exchanges, etc.;
- The fourth refers to the **outputs** delivered by the Programme actions, which can be described in terms of staff trained, best practices disseminated, etc.;
- The fifth relates to the 'transformation' of the outputs into **outcomes**, i.e. the discrete changes in euro protection capabilities that the Programme is expected to generate (in terms of increased operational capability, closer institutional cooperation, etc.); and
- Finally, the sixth element refers to the Programme's **impact**, i.e. its contribution to the general improvement in euro protection, which in turn is expected to contribute to the **end goal** of improving general economic conditions.

²⁰ Conferences and workshops are jointly referred to as 'seminars' in Programme documentation (such as the annual reports).

It is important to note that the 'strength' of the causal linkages between the various elements varies due to the presence of **external factors** that may influence the chain of events (e.g. unfavourable conditions in third country authorities negatively affecting the transformation of outputs in outcomes). In a similar vein, the results chain is influenced by **other actions** implemented on part of individual MS and EU/international organisations (ECB, Europol, Interpol, etc.).

The Programme's intervention logic is presented in Exhibit 2.2 overleaf.

Exhibit 2.2 Pericles 2020 Intervention Logic



2.4 Programme Implementation

2.4.1 Operating Modalities

CNA-Implemented Actions. CNA-implemented actions benefit from a **financial contribution in the form of a grant**. Grants are awarded on the basis of **Calls for Proposal (CfP)**, launched annually, with two deadlines, one in spring and one in fall. Each CfP indicates the value of funding available and the types of actions eligible for financing. Applications are assessed against a set of pre-defined criteria, reflecting Pericles 2020's basic principles (transnationality, multidisciplinary and complementarity) and taking into account the quality of the proposals and cost-effectiveness considerations. In case of award, subsequent steps follow the **Commission's standard procedure for grant-based initiatives**, with the signing of a Grant Agreement and, upon completion of the action, the submission of a Technical Report and a Financial Report.

As specified by Regulation 331 (Article 10.4), the Programme's maximum financial contribution is normally set at **75% of eligible costs**, but in certain duly justified cases it can be increased **up to 90%**. The top rate constitutes an increase compared with the uniform 80% co-financing rate used under the previous Pericles Programme and is applicable to: (i) actions targeting themes/countries considered of special importance; and (ii) actions proposed by CNA that have not applied for funding in the recent past.

DG ECFIN Direct Actions. Although managed by DG ECFIN, direct actions are always implemented in **collaboration with national authorities** in EU MS or third countries. From an administrative view point, direct actions are implemented through **procurement contracts**, typically using a framework contract made for logistical services used by DG HOME. Upon completion, results are summarised in a report similar to the Technical Reports required for CNA-implemented actions.

2.4.2 Actions Implemented - Overview²¹

Over the period between January 2014 and June 2016 covered by this Evaluation, commitments were made for a total of **27 actions**. These include eight actions implemented directly by DG ECFIN and 19 actions implemented by ten CNA. The CNA involved in implementation originate from five MS (Croatia, France, Germany, Italy and Spain) and include four monetary authorities (central banks and national mints) and six law enforcement authorities. The CNA involved in the implementation of Pericles 2020 actions are listed in Exhibit 2.3 below.

Exhibit 2.3 CNA Involved in the Implementation of Pericles 2020 Actions

Member State	CNA
Croatia	<ul style="list-style-type: none"> Hrvatska Narodna Banka (HNB)
France	<ul style="list-style-type: none"> Direction Centrale de la Police Judiciaire - Office Central pour la Répression du Faux Monnayage (DCPJ-OCRFM) Monnaie de Paris
Germany	<ul style="list-style-type: none"> Landeskriminalamt Berlin (LKA Berlin)
Italy	<ul style="list-style-type: none"> Banca d'Italia Comando Carabinieri Antifalsificazione Monetaria (CCAFM) Ministero dell'Economia e delle Finanze - Ufficio Centrale Antifrode dei Mezzi di Pagamento (UCAMP) Ministero dell'Interno - Ufficio Centrale Italiano del Falso Monetario (UCIFM)
Spain	<ul style="list-style-type: none"> Banco de España Brigada de Investigación del Banco de España (BIBE)

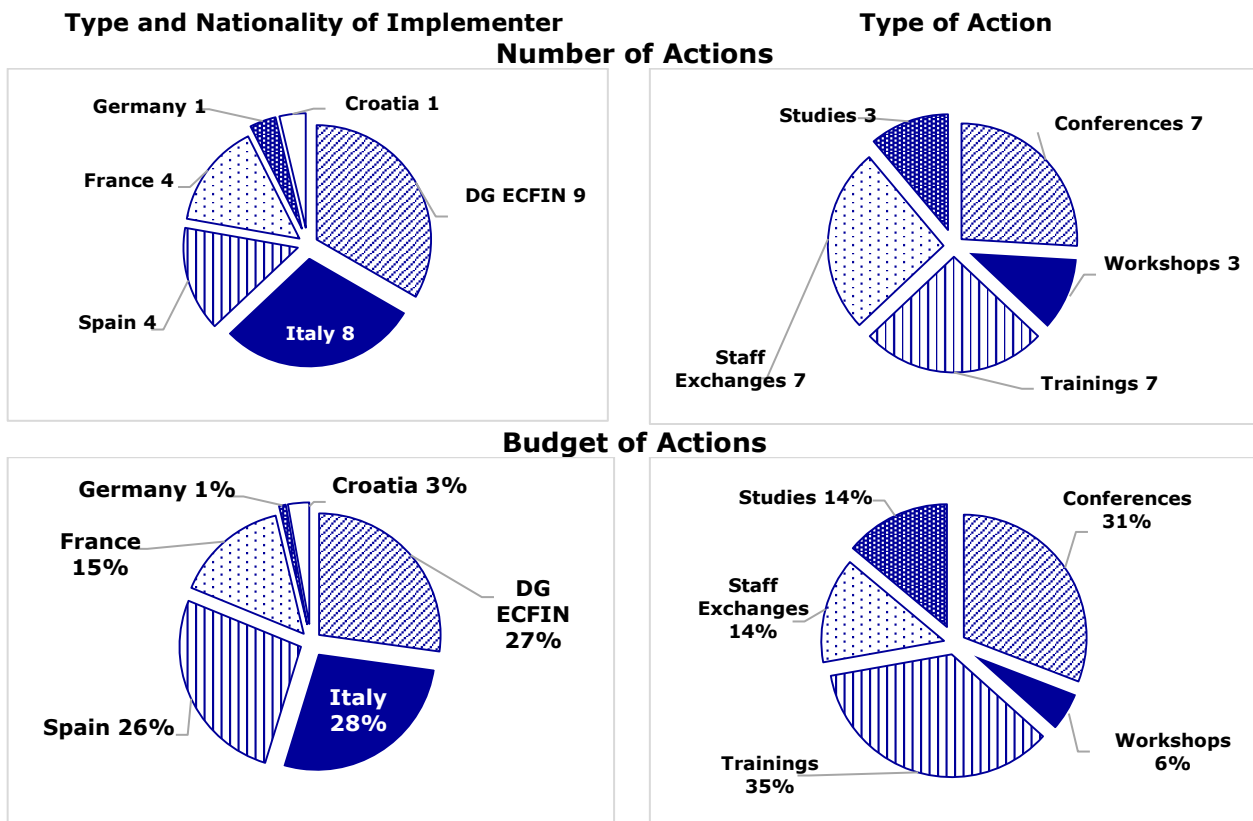
The 27 actions had an initial total budget of about **€ 2.8 million**, involving an EU financing of about € 2.3 million. The value of the actions varies considerably, with EU funding ranging from less than € 10,000 to more than € 250,000, and an average value of some € 100,000.

²¹ Detailed information on the actions implemented is provided in Annex A.

Pericles 2020 actions are **evenly distributed over time**, with 10 actions approved in 2014, 12 in 2015 and 5 in the first six months of 2016. Nearly all actions were **completed by end 2016**, with only one initiative postponed to 2017.

As presented in Exhibit 2.4 below, DG ECFIN and the Italian, French, and Spanish CNA were the **most active implementers**, cumulatively accounting for over 90% of actions and related budget, workshops and staff exchanges are the **most common types of actions**, each accounting for about one quarter of all actions. In value terms, trainings and conferences are the main categories, accounting respectively for 36% and 30% of the total budget value.

Exhibit 2.4 Overview of Actions Implemented



Box 2.2 Volume of Activity: Pericles 2020 vs. Pericles Programme

Pericles 2020 operations for the 2.5 years covered by this Evaluation were compared with those of its predecessor over the 2006–2013 period. **At first sight, the volume of activity shows a marked decline**, with an average of 10.8 actions/year for Pericles 2020, compared with 14.3 for the previous programme (i.e. 2.5 fewer actions per year). The decline is particularly marked for direct actions (3.2 per year compared with 5.1), but the number of CNA-implemented actions is also lower (7.6 per year vs. 9).

However, **the above results are heavily influenced by the implementation of numerous 'mini' actions under the previous programme**. Indeed, over the 2006–2013 period, there were no less than 17 actions worth less than € 10,000 (sometimes as little as € 1,500/2,000) compared with just one similar operation in the case of Pericles 2020. Once these 'mini' actions are excluded from calculations, the differences between the two programmes become much smaller, with an average of 10.4 actions/year for Pericles 2020 compared with 12/year for the previous programme. The difference is even lower in the case of CNA-implemented actions, with 7.2 actions/year for Pericles 2020 against 7.9/year for the previous programme, in practice a difference of just 'half' an action per year.

While a period of 2.5 year is obviously too short to draw firm conclusions, the above data suggests that Pericles 2020 has so far been able to generate a volume of actions not too different from that of its predecessor.

2.4.3 Actions Implemented - Review

Conferences.²² This category includes **seven actions** of which two were implemented by DG ECFIN and five by CNA from Italy and Croatia. Three conferences focused on the strengthening of cooperation among **Mediterranean countries** and were implemented in the framework of the 'Community Strategy to Protect the Euro in the Mediterranean Area'. Two conferences had a similar orientation, but focused on **South Eastern Europe**, another key priority area for Pericles 2020. The remaining two events focused on the situation in **EU MS** and included the 3rd international 'Conference on the Protection of the Euro against Counterfeiting' and a conference on euro protection in Europe, with a special focus on possible future threats. These were large events, involving **between 60 and 160 participants** from several EU MS and third countries and with budgets ranging **from € 80,000 to 200,000**. All conferences were implemented between early 2015 and mid-2016 and took place in EU MS (Croatia, Germany, Italy) as well as in Albania and Morocco. A summary description of the seven conferences is provided in Exhibit 2.5 below.

Exhibit 2.5 Salient Features of Pericles 2020 Conferences

Implementer	Timing	Title/Subject	Location	Budget (€)
UCAMP	11/2014	Euro protection in Mediterranean countries	Italy (Rome)	120,865.94
DG ECFIN	03/2015	International conference on euro protection	Germany (Frankfurt)	79,000.00
UCAMP	11/2015	Euro protection in Mediterranean countries	Morocco (Marrakesh)	149,067.37
HNB	03/2016	Balkan network for euro protection	Croatia (Split)	78,821.31
UCIFM	04/2016	Euro counterfeiting in Europe	Italy (Rome)	78,037.37
UCAMP	10/2016	Euro protection in Mediterranean countries	Albania (Tirana)	113,702.20
DG ECFIN	11/2016	Euro protection in South Eastern Europe	Croatia (Zagreb)	197,199.00

Workshops. Pericles 2020 financed **four workshops**, of which two were implemented by DG ECFIN and two by French and German CNA. Compared with conferences, workshops were much smaller events - typically involving **20 – 30 participants** - and had a narrower focus, dealing with specific topics. Two workshops aimed at strengthening **relations with Chinese authorities** in view of the growing threat posed by counterfeits as well as counterfeit components and materials (paper, holograms, etc.) originating from China. Another workshop focused on the issues linked to the distribution of **counterfeits and counterfeit components via internet**. The fourth workshop focused on **coins classification** and included an operational support element, as it assisted Spanish authorities in clearing the backlog of unclassified coins. The implementation of one of the two workshops focusing on China was postponed to 2017, while all other initiatives were implemented during 2016 and took place in EU MS. A summary description of the four workshops is provided in Exhibit 2.6 below.

Exhibit 2.6 Salient Features of Pericles 2020 Workshops

Implementer	Timing	Title/Subject	Location	Budget (€)
DCPJ-OCRFM	01/2016	Cooperation with China on euro counterfeit	France (Paris)	33,474.95
DG ECFIN	07/2016	Euro coins classification	Spain (Madrid)	13,181.35
LKA Berlin	10/2016	Combating counterfeit currency crime (focus on internet)	Germany (Berlin)	25,222.81
DG ECFIN	2017 (expected)	Cooperation with China on euro counterfeit	Belgium (Brussels)	103,549.90

Training. This group includes **six initiatives**, of which half were implemented by DG ECFIN and half by Spain's BIBE. Trainings were intended to strengthen the institutional and operational

²² Conferences and workshops are jointly referred to as 'seminars' in Programme documentation (such as the annual Pericles 2020 reports).

capabilities of anti-counterfeiting authorities in third countries, and were implemented in **Latin American countries** as well as in **Albania and Turkey**. Typically lasting 3-4 days, trainings consisted of a series of sessions dealing with specific operational aspects regarding the detection of counterfeit euros, investigation methodologies, and the collection of evidence for judicial proceedings. Trainings are sizeable initiatives, involving between **60 and 100 participants** from various countries. As actions were implemented in non-EU countries and involved considerable travel expenditure, budgets were quite substantial, ranging **from about € 100,000 up to more than € 250,000**. Trainings were implemented between late 2014 and end 2016. A summary description of the Pericles 2020 trainings is provided in Exhibit 2.7 below.

Exhibit 2.7 Salient Features of Pericles 2020 Training

Implementer	Timing	Title/Subject	Location	Budget (€)
BIBE	11/2014	Training on money counterfeiting for Latin American countries	Chile (Santiago de Chile)	173,296.38
DG ECFIN	03/2015	Developing a common approach in protecting the euro	Turkey (Ankara)	96,501.21
DG ECFIN	04/2015	Tactical technical training for Latin American countries	Colombia (Cali)	138,649.01
DG ECFIN	05/2015	Technical training in euro protection	Albania (Tirana)	109,967.11
BIBE	11/2015	Train the trainers on euro counterfeiting in Latin American countries	Peru (Lima)	204,173.1
BIBE	11-12/2016	Training on money counterfeiting for Latin American countries	Argentina (Buenos Aires)	259,114.84

Staff Exchanges. Pericles 2020 supported **seven staff exchanges**, of which six were implemented by Italian and Spanish CNA and one by DG ECFIN. As suggested by the title, these actions are intended to foster institutional capabilities and cooperation through the exchange of personnel, typically between CNA and their equivalents in third countries. The scale of these actions varies depending upon the bilateral or multilateral nature of the exchange as well as the presence of other activities (such as conference-like events and country visits intended to prepare future actions). In most cases, the number of participants is small, **10 to 20 persons**, but in a couple of actions the number of persons involved was considerably higher (up to 100). Budgets show a similar variation, ranging from **less than € 10,000 to more than € 100,000**. Staff exchanges usually have a duration of several months and the actions were mostly carried out in 2015 and 2016. A summary description of the Pericles 2020 staff exchanges is provided in Exhibit 2.8 below.

Exhibit 2.8 Salient Features of Pericles 2020 Staff Exchanges

Implementer	Timing	Title/Subject	Countries Involved	Budget (€)
CCAFM	12/2014 – 07/2015	Staff exchange on investigative techniques	Italy and four African countries	81,114.99
Banca d'Italia	12/2014 – 08/2015	Staff exchange for central bank personnel	Italy and Albania	9,534.70
BIBE	01/2016 – 07/2016	Staff exchange for Latin American countries	Spain and four Latin American countries	102,278.7
CCAFM	02/2015 – 06/2016	Staff exchange on investigative techniques	Italy and three South Eastern European countries	87,965.55
UCIFM	05/2016 – 11/2016	Staff exchange for European countries	Italy and 6 EU/third countries	56,190.70
DG ECFIN	06/2016 – 07/2016	Staff exchange for central bank personnel	Albania and Kosovo	22,494.08
Banco de España	09/2016 – 10/2016	Staff exchange on counterfeit banknotes and coins	Spain and five EU MS	29,165.00

Studies. The Programme co-financed **three studies**, all carried out by French CNA. Two studies, implemented consecutively by the same CNA, focused on the analysis of technical aspects to improve the **security features of euro coins**. These are relatively large actions, with a **cumulated budget of € 300,000**, and involving the cooperation with other EU entities. The third study analysed the phenomenon of **euro counterfeiting in France** (main actors, underlying causes, etc.), including a comparison with the situation in Belgium. This was a smaller initiative with a **budget of little more than € 80,000**. One of the two technical studies is still ongoing, while the other two studies were completed in 2016. A summary description of the studies supported by Pericles 2020 is provided in Exhibit 2.9 below.

Exhibit 2.9 Salient Features of Pericles 2020 Studies

Implementer	Timing	Title/Subject	Countries Involved	Budget (€)
DCPJ-OCRFM	09/2014 – 12/2015	Study on euro counterfeiting in France	France and Belgium	84,861.50
Monnaie de Paris	01/2015 – 12/2015	New euro coins security features – Phase 1	France, Austria and Germany	134,000.00
Monnaie de Paris	09/2016 – 10/2017	New euro coins security features – Phase 2	France, Austria and Germany	170,233.00

3 METHODOLOGICAL APPROACH

3.1 Introduction

The Assignment was carried out in line with the principles commonly applied for the evaluation of EU initiatives, as enshrined in the Better Regulation Guidelines.²³ The first step was the firming up of the **evaluation framework**, taking into account the specific themes to be addressed as indicated in the TOR. This was followed by **fact finding work**, involving the review of secondary sources as well as primary data collection through interviews and an online survey. The information collected provided the basis for subsequent **analytical work**, which ultimately led to the preparation of this Report.

This Section provides a detailed account of the methodological approach adopted. Section 3.2 elaborates on the evaluation framework, which constitutes the essential reference for the evaluation process. Section 3.3 focuses on the various activities comprising fact finding work. Section 3.4 deals with analytical work. Finally, Section 3.5 discusses data limitations and methodological issues.

3.2 Evaluation Framework

Evaluation Criteria. As anticipated in Section 1.2 above, the Evaluation covered all the **six evaluation criteria** typically used in the assessment of EU programmes, namely: (i) relevance; (ii) effectiveness; (iii) efficiency; (iv) EU added value; (v) coherence; and (vi) sustainability. In particular:

- With respect to **relevance**, the exercise reviewed the rationale of the Programme with regard to the objectives, priorities, target groups, and actions;
- The assessment of **effectiveness** focused on the Programme's ability to achieve the intended results in terms of outputs, outcomes, and impact;
- The analysis of **efficiency** involved a review of the management and administrative arrangements put in place for Programme implementation;
- With regard to **EU added value**, the Evaluation focused primarily on the Programme's ability to promote transnational cooperation;
- The analysis of **coherence** considered the complementarity of Pericles 2020 activities with other initiatives implemented at the national and EU/international levels; and
- The assessment of **sustainability** focused on the prospects for results achieved to be maintained over time.

Evaluation Questions. The specific aspects to be analysed by the Evaluation were detailed in a set of **15 Evaluation Questions (EQ)** listed in the TOR and linked to the six evaluation criteria. During the Inception Phase, the Consultant proceeded with the rewording of some of the EQ included in the TOR, in order to clarify certain aspects.²⁴ The refined EQ, grouped by evaluation criteria, are presented in Box 3.1 below.

Box 3.1 Evaluation Criteria and Evaluation Questions (EQ)

Relevance

- EQ#1 To what extent is there still a need to protect the euro against counterfeiting and related fraud?
- EQ#2 To what extent is the specific objective of the Programme relevant to achieve its general objective?
- EQ#3 To what extent are the priorities of the Programme relevant to achieve its general and specific objectives?
- EQ#4 To what extent are the Programme actions and target groups relevant to achieve its general and specific objectives?

²³ See EC, Guidelines on Evaluation and Fitness Checks, 2016, in particular Section VI. The document is accessible via http://ec.europa.eu/smart-regulation/guidelines/ug_chap6_en.htm.

²⁴ The rewording of the EQ led to only modest changes in substance and was agreed with the Client. For more details, see the Inception Report, Annex B.

Effectiveness

- EQ#5 To what extent have the activities financed under the Programme delivered the expected outputs?
- EQ#6 To what extent has the specific objective of the Programme been achieved?
- EQ#7 To what extent has the Programme contributed, in quantitative and qualitative terms, to protect the euro against counterfeiting and related fraud as well as to other EU priorities?

Efficiency

- EQ#8 To what extent do the management and administrative structures and procedures currently in place ensure an economic and efficient use of resources in the achievement of the Programme outputs, outcomes and impacts?
- EQ#9 To what extent is the co-financing rate appropriate?
- EQ#10 To what extent are the actions and outputs of the Programme delivered at a reasonable cost?

EU added value

- EQ#11 To what extent does the Programme provide EU added value, within the meaning of Article 2 of Regulation 331?

Coherence

- EQ#12 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant initiatives and operations implemented by Member States?
- EQ#13 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant capacity building initiatives implemented at the EU and international levels?
- EQ#14 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant operational activities supported at the EU and international levels?

Sustainability

- EQ#15 To what extent are the results achieved (or likely to be achieved) sustainable?

Evaluation Matrix. The refinement of the EQ was followed by the identification of the **Judgment Criteria** (JC) to be used in assessing the evidence collected on the various themes. This was accompanied by the selection of the **indicators** (i.e. the type of evidence to be used) and by the identification of the **sources of information** to be relied upon. Taken together, these elements led to development of the **Evaluation Matrix** that guided the entire evaluation process. The structure of the matrix is illustrated by an example concerning one EQ on relevance provided in Exhibit 3.1. The full-fledged Evaluation Matrix is provided in Annex B.

Exhibit 3.1 Structure of the Evaluation Matrix - Example

Evaluation Question (EQ)	Judgement Criteria (JC)	Indicators	Sources of Information
Relevance			
EQ#4 To what extent are the Programme actions and target groups relevant to achieve its general and specific objectives?	<p>JC #4.1: Degree of alignment of the various types of actions with the needs to improve capacity within relevant institutions</p> <p>JC #4.2: Degree of appropriateness of the target groups to improve capacity within relevant institutions</p>	<ul style="list-style-type: none"> • Stakeholders' views (usefulness of various types of actions) • Stakeholders' views (importance of target groups) 	<ul style="list-style-type: none"> • Interviews with EU/international institutions • Interviews with CNA and Supported Authorities (third countries) • Survey of participants

3.3 Fact Finding Work

Fact finding work consisted of four components, namely: (i) the review of documentary sources ('Desk Review'); (ii) interviews with the CNA actually or potentially involved in the Programme; (iii) interviews with other institutions; and (iv) a survey of persons participating in Pericles 2020 initiatives ('Survey of Participants'). The work carried out under each component is presented in the following sub-sections.

3.3.1 Desk Review

The Desk Review involved the analysis of **three types of documentary sources**, namely: (i) documents concerning the nature, orientations and operating modalities of the Programme ('Programme Documents'); (ii) documents concerning the specific actions financed by the Programme over the relevant period ('Action Documents'); and (iii) documents concerning various aspects linked to the Programme and/or the theme of protection of the euro ('Other Documents'). Overall, the Desk Review entailed the **analysis of about 150 documentary sources**.

Analysis of Programme Documents. This category includes six types of documents, namely: (i) the **basic legal texts** underpinning the Programme and its implementation (Regulation 331 and Commission Decisions for the Annual Work Programmes); (ii) the Programme's **strategic and implementation documents** (Pericles 2020 Strategy, Working Programme Statements, and annual implementation reports); (iii) previous **evaluations and impact assessment documents**; (iv) reports (minutes) summarising the **meetings of the ECEG** in which Programme orientations and activities are discussed; and (v) the documentation concerning the award of funding for actions implemented by CNA (calls for proposals, guidelines for applicants, etc.). In addition, the analysis was extended to (vi) some documents concerning **Pericles 2020's predecessor**, namely the Pericles Implementation Report for the 2006 – 2013 period and the list of grants awarded since the year 2002. The review of Programme Documents proved essential for the interpretation and reconstruction of the Programme's **Intervention Logic** (see Section 2.3 above). In addition, the review of Programme Documents yielded useful inputs for the definition of other activities, namely the preparation of the **questionnaires** and the identification of the **CNA to be investigated** (see Section 3.3.2 below).

Analysis of Action Documents. This category includes the documents concerning the Pericles 2020 actions committed during the period under examination. In particular, analysis involved the review of four main types of documents, namely: (i) the **grant applications** submitted by CNA (inclusive of the proposed budgets) and the **TOR** prepared by DG ECFIN for the direct actions; (ii) the **grant agreements with CNA** and the **procurement contracts for the direct actions**; (iii) the **Technical Reports** summarising the results achieved; and (iv) the **Financial Reports** summarising the costs incurred. The analysis of Action Documents provided useful elements for the definition of the **evaluation framework** and for the assessment of the performance of Pericles 2020 actions, namely in terms of **effectiveness and efficiency**. In addition, an important output of the analysis of Action Documents was the compilation of a **consolidated list of participants in Pericles 2020 actions**, which constituted an essential instrument for the Survey of Participants (see Section 3.3.4 below).

Analysis of Other Documents. This group of documents include: (i) **legal texts concerning the protection of the euro** and, more generally, the theme of currency counterfeit (from the Geneva Convention to ECB Decisions); (ii) reports providing an **overview of the phenomenon of euro counterfeiting**, including notably the relevant section of the Organised Crime Threat Assessment (OCTA) and Serious and Organised Crime Threat Assessment (SOCTA) reports published by Europol; (iii) documents and other sources (mostly, institutional websites) concerning **other initiatives aimed at supporting the protection of the euro** (e.g. the database of TAIEX events); and (iv) the available economic literature on the **economic consequences of currency counterfeit**. The analysis of Other Documents proved useful for addressing various aspects covered by the Evaluation, in particular with reference to **relevance and coherence**.

3.3.2 Interviews with CNA

Overview. CNA play a major role in the implementation of Pericles 2020 and interviews with their representatives constituted an **essential part of fact finding work**. Interviews²⁵ were carried out with **four categories of CNA**, namely: (i) the CNA that received funding from the Programme for the implementation of one or more actions (**Implementers**); (ii) the CNA that implemented actions under the previous Pericles Programme, but did not apply for funding under Pericles 2020 (**Former Implementers**); (iii) the CNA that have never applied for funding under either Pericles 2020 or its predecessor (**Non Applicants**); and (iv) the CNA that applied for the implementation of Pericles 2020 actions but did not receive any funding (**Unsuccessful Applicants**).

All interviews were carried out on the basis of **structured questionnaires** developed during the Inception Phase and agreed upon with DG ECFIN. In order to facilitate interactions with the interviewees, the questionnaires were made available in **three languages; English, French and Spanish**.²⁶

A total of **35 CNA** were interviewed, i.e. **more than one third of all the national institutions categorised as CNA**. Considering that some institutions formally classified as CNA are no longer (or de facto are only marginally) involved in euro protection activities,²⁷ it can be estimated that interviews covered up to half of all the CNA that may potentially play a role in the context of the Programme. The representativeness of the exercise is further enhanced by the **wide geographical coverage of interviews**, with at least one CNA interviewed in 22 MS, including all the large MS (France, Germany, Italy, Poland, Spain, and the UK) as well as 14 of the 19 countries in the Euro area.

The scope and nature of the interviews with the four types of CNA are presented in some detail in Box 3.2 below.

Box 3.2 Interviews with CNA

Interviews with Implementers. Interviews with Implementers were intended to collect factual information and views on **virtually all the key themes covered by the Evaluation**, including in particular: (i) perceptions regarding the severity of the euro counterfeiting problem and related capacity building needs; (ii) attitudes towards Pericles 2020's strategic orientations, namely in terms of priority areas, types of actions, and target groups; (iii) the results achieved through the participation in Pericles 2020 actions, in terms of improved institutional capabilities and impact on euro protection operations; (iv) the appropriateness of existing procedures, with regard to the application, the implementation, and the post-implementation stages; (v) the complementarity of Pericles 2020 actions with other euro protection initiatives implemented at the national, EU and international levels; and (vi) the overall assessment of the Programme. Interviews were carried out with **11 Implementers from six MS**.²⁸ These include all the ten CNA that were involved in the Programme actions committed during the period covered by this Evaluation plus one CNA (Bulgaria's central bank) that is expected to implement an action in 2017.²⁹

²⁵ While most CNA were indeed interviewed, in person or by telephone, some preferred to submit information in writing. The term 'interview' in the Report encompasses all types of interactions with CNA.

²⁶ The English versions of the questionnaires used for the interviews with CNA are presented in Annex D.

²⁷ For instance, Greece's Ministry of Finance, although formally included in the list of CNA, has de facto delegated the handling of issues related to euro counterfeiting to the Hellenic Police. Similarly, in Latvia, the State Police's Forensic Research Department has transferred the responsibility for all euro counterfeiting matters to the Bank of Latvia, which is now the only 'operational' CNA in the country. In France, one of the entities officially appointed as a CNA (the *Service Technique des Recherches Judiciaires et de Documentation* of the *Centre Technique de la Gendarmerie Nationale*) was dissolved in 2014 and, based on information collected during the interview with DCPJ-OCRFM, all other entities are de facto not involved in euro protection activities.

²⁸ The list of Implementers interviewed is provided in Annex C2.

²⁹ The Bulgarian National Bank (BNB) applied for funding in the second half of 2016. While the relevant action will be implemented in the future and therefore falls outside the scope of the Assignment, it was nonetheless deemed important to interview this authority as it could provide useful elements on the overall orientation of the Programme and its management.

Interviews with Former Implementers. Interviews with Former Implementers were primarily intended to **ascertain the reason(s) for the discontinued participation in the Programme**. The themes investigated included: (i) possible changes in the perception of the severity of the euro counterfeit problem; (ii) possible changes in the perception of the usefulness of the Programme compared with its predecessor; (iii) the appropriateness of the Programme's management and administrative arrangements (namely, the application process and reporting obligations); and (iv) the possible existence of 'internal' constraints (namely the availability of human and/or financial resources) influencing the participation in the Programme. Overall, interviews were carried out with **12 Former Implementers from eight MS**.³⁰

Interviews with Non Applicants. As in the case of Former Implementers, interviews with Non Applicants were primarily intended **to understand the reasons for non-participation in the Programme**. The aspects investigated included those already mentioned above for Former Implementers (low perception of the threat, internal constraints, etc.) as well as the degree of knowledge about the Pericles 2020 and the measures that could possibly be envisaged to enhance this knowledge. In total, interviews covered **11 Non Applicants from ten MS**.³¹

Interviews with Unsuccessful Applicants. As already mentioned in Section 2 above, the vast majority of applications for funding under Pericles 2020 were successful and this last category includes **one single CNA**. This interview was aimed at eliciting views regarding the perceived usefulness of the Programme and appropriateness of current management and procedural aspects.

3.3.3 Interviews with Other Institutions

Fact finding work also involved **two others sets of interviews**, namely: (i) interviews with Commission services and other EU institutions and international bodies involved in the protection of the euro (**'Institutional Interviews'**); and (ii) anti-counterfeit authorities in third countries that have received support from the Programme (**'Interviews with Supported Authorities'**). These activities are briefly described in the following paragraphs.

Institutional Interviews. Institutional Interviews were aimed at collecting information on a wide range of topics, mostly related to the assessment of Pericles 2020's **relevance, coherence and EU added value** (e.g. perceived severity of the euro counterfeiting problem, complementarity between the Programme and other EU initiatives for the protection of the euro, etc.). Institutional Interviews can be subdivided into **four broad categories**, namely: (i) DG ECFIN staff involved in the implementation of Pericles 2020 (including ETSC staff); (ii) representatives of other Commission services (DG HOME, DG JUST, DG NEAR, and OLAF) running similar or complementary programmes; (iii) representatives of entities actively involved in euro protection activities, including the ECB and the Central Bank Counterfeit Deterrence Group (CBCDG); and (iv) representatives of EU and international bodies involved in the fight against euro counterfeiting, including Europol, Eurojust and Interpol. All in all, **interviews were carried out with 12 different entities**, sometimes involving repeated contacts.³² Institutional Interviews were all conducted in person or via telephone. Given the varied nature of the themes to be discussed, **no standardised questionnaire was used**, but interviews were preceded by a careful analysis of the relevant materials and the themes to be discussed were communicated in advance to the interviewees.

Interviews with Supported Authorities. Interviews with Supported Authorities in third countries were primarily intended to provide information on the **effectiveness and sustainability** of the Programme. The main aspects investigated included: (i) the extent to which Pericles 2020 actions have resulted into an improvement in operational capabilities; (ii) the extent to which the improvement in operational capabilities has led to tangible results in the protection of the euro; and (iii) the extent to which the information, knowledge and skills acquired or developed thanks to the Programme are still utilised and deployed. Interviews with Supported Authorities in third countries constitute **an innovation compared with the fact-finding activities envisaged by the TOR**, aimed at providing a more comprehensive picture

³⁰ The list of Former Implementers interviewed is provided in Annex C3.

³¹ The list of Non Applicants interviewed is provided in Annex C.4.

³² The list of Institutional Interviews is provided in Annex C1.

of the results achieved by the Programme. The rationale for this addition is summarised in Box 3.3 below.

Box 3.3 Rationale for the Addition of Interviews with Supported Authorities

Initially it was envisaged that information on the results of Pericles 2020 actions in third countries could be retrieved from the review of Action Documents, interviews with Implementers, and the surveying of individuals participating in Programme initiatives. However, the Actions Documents typically **focus on the immediate results of Pericles 2020 actions** (i.e. the outputs delivered) and contain little information regarding the changes induced in institutional capabilities (i.e. the outcomes achieved). Similarly, most CNA were not well informed about developments in their counterpart authorities in third countries and, therefore, **could not provide an assessment of the situation prevailing after the implementation of Programme actions**. Finally, the review of the list of third country participants in Pericles 2020 actions revealed that the vast majority are operational staff, who could certainly provide information on their personal experience, but would most likely be **unable to provide an assessment of the results achieved for their institution**. The expansion of fact finding work to include interviews with third country authorities was intended to compensate for these limitations, contributing to enhance the robustness of the exercise, **especially regarding the assessment of effectiveness and sustainability**.

Interviews with Supported Authorities were conducted on the basis of a **structured questionnaire**, consisting of both open and closed questions.³³ Interviews were carried out via telephone and/or email. To facilitate interactions, the questionnaire was made available in **English, French and Spanish**. Overall, interviews were carried out with **12 Supported Authorities from ten countries** in Latin America (Colombia, Peru), South Eastern Europe (Albania, Kosovo, Montenegro), the Caucasus (Armenia, Georgia) and North Africa (Morocco, Tunisia).³⁴

3.3.4 Survey of Participants

The Survey of Participants was targeted at the **individuals who had taken part in Pericles 2020 actions** committed over the period analysed. The survey was primarily aimed at collecting information on the **effectiveness** of Pericles 2020 actions. The main themes investigated included: (i) the improvement in operational capabilities at the personal level resulting from the information and skills acquired and/or the contacts established through the Programme's actions; (ii) the extent to which the participants have been able to disseminate the information and skills acquired and/or the contacts established to other colleagues; and (iii) the effects that improvements in operational capabilities may have had in terms of enhanced protection of the euro.

The Survey of Participants was conducted through an **online questionnaire**, accessible via a dedicated portal. In order to incentivise participation, the questionnaire was relatively short, mostly consisting of closed questions and was made available in **three languages; English, French, and Spanish**.³⁵ The individuals to be surveyed were contacted via email and invited to access the dedicated portal.

The list of persons to be surveyed, i.e. the **'target population'**, was established based on available information on the participants in a subset of Pericles 2020 activities. Details on the definition of the target population are provided in Box 3.4 below.

Box 3.4 Establishing the Target Population for the Survey of Participants

The first step for establishing the target population involved the **consolidation of the lists of participants in 13 Pericles 2020 actions**, including (i) six conferences (Rome 2014, Rome 2015, Marrakesh, Split, Zagreb and Tirana); (ii) three staff exchanges (Italy-Albania, Albania-Kosovo, and

³³ The questionnaire used for the interviews with Supported Institutions is provided in Annex D.

³⁴ The list of Supported Institutions interviewed is provided in Annex C6.

³⁵ The questionnaire used for the Survey of Participants is provided in Annex E.

Investigative Techniques 1); and (iii) four trainings (Lima, Ankara, Cali, and Tirana). This work led to the establishment of a **consolidated list of 870 'unique' participants**.

Subsequently, **the consolidated list was 'cleaned'** with: (i) the elimination of non-relevant participants (e.g. Commission staff, diplomatic representatives) and participants who would be interviewed as representatives of their authorities, and (ii) the exclusion of participants for whom no email address was available. This work led to the identification of **637 participants to be surveyed**.

During survey implementation, however, 123 email addresses turned out to be erroneous, no longer functioning or otherwise not accessible (presumably, due to strong firewall protection). This reduced the **total population susceptible of being surveyed to 514 individuals**.

The survey remained open for four weeks over the February – March 2017 period. Progress was constantly monitored and non-respondents received two reminders. Only a handful of participants reported problems in accessing the web portal (they received the questionnaire via email and were therefore able to participate in the survey offline). Overall, 247 individuals participated in the survey. Twenty responses were eliminated because they were largely incomplete, yielding a **total of 227 valid responses**. Overall, this must be regarded as an extremely positive result, well above the 100 replies envisaged in the Inception Report and **implying a response rate of almost 44%**.

3.4 Analytical Work

Mapping of Findings. Analytical work first involved the systematic review of the qualitative and quantitative information collected, with the **structuring and mapping of the evidence** collected to the relevant indicators, in accordance with the Evaluation Matrix. In the few cases where gaps or weaknesses in the data were identified, appropriate corrective actions were undertaken, namely with the **location and review of additional documentary sources** and, especially, **follow up contacts with interviewees**. In particular, additional contacts were made with the DG ECFIN staff responsible for the management of Pericles 2020 and with staff of other Commission services to clarify certain aspects related to the Programme and to gather additional elements on other similar EU initiatives. This review and mapping exercise provided a series of findings related to the various JC and EQ.

Analysis and Interpretation of Findings. Much of the evidence collected is of a qualitative nature (e.g. views on the severity of a certain problems or level of appreciation of a certain type of action) which does not lend itself to any type of statistical analysis. Even when the data collected were in numerical format, the number of observations was too limited and/or the time series were too short to allow for any type of statistical analysis beyond the computation of simple averages. Accordingly, **the analysis was eminently of a qualitative nature**. Findings typically originate from different sources (documents, interviews, survey) and/or are of a different nature (perceptions on a certain phenomenon, statistical data, budgetary data, etc.) and they were **triangulated in order to reach robust conclusions**. Depending upon the situations, the exercise was carried out at two levels, i.e. triangulation of sources (i.e. primary vs. secondary sources) and/or triangulation of respondent groups (e.g. Commission staff, officials of other EU institutions, representatives of CNA, etc.).

3.5 Data Limitations and Methodological Issues

Gaps in Documentary Sources. The Evaluation faced two gaps in documentary sources. The first refers to the **unavailability of some Action Documents**. Indeed, some of the Pericles 2020 actions were completed only in late 2016 and the related Technical and Financial Reports were not yet available at the time of writing. This is unlikely to affect the overall conclusions, but somewhat reduces the significance of certain parts of the analysis, especially regarding the assessment of cost effectiveness. The second gap refers to a **scarcity of analytical work on money counterfeiting**. While statistics and descriptive studies on the extent of the phenomenon are available and were extensively used, little was found in the literature on the theme of anti-counterfeiting activities (especially those with a capacity building orientation) and

their effects. Therefore, the analysis of effectiveness relied predominantly on the information provided by the various stakeholders consulted. While primary sources are obviously of great value, they nonetheless suffer from some limitations (possible bias in responses, reluctance or inability to provide a quantification of certain aspects) that are inevitably reflected in the work presented here.

Representativeness of Survey Results. As indicated above, the Survey of Participants achieved a high response rate and a priori this should ensure a fairly high degree of representativeness of results. However, when comparing the key characteristics of respondents (profession, nationality, and number of events attended) with those of the universe of participants in Pericles 2020 actions both similarities and differences emerge. In particular, the population and the respondents show similar frequency distributions regarding the profession and the number of events attended. On the other hand, the geographical distribution of respondents is significantly different from that of the total population, with an overrepresentation of Latin American and South East European countries and an underrepresentation of some Mediterranean countries. Considering that many responses to the survey tend to be extremely one sided (typically with positive assessments largely dominating) it is unlikely that a higher response rate from participants from the countries underrepresented (or a lower response rate from those overrepresented) might have had an appreciable effect on results. Nonetheless this limitation must be noted.³⁶

Assessing the Contribution to Euro Protection Operations. The assessment of the Programme's contribution to euro protection operations was the most challenging part of the Evaluation. This is due not so much to gaps in data availability, but rather to the very nature of Pericles 2020 actions, whose effects on concrete achievements often require a long time to materialise and/or are difficult to assess separately, due to the existence of a host of concomitant factors. In this case, the assessment had to rely on circumstantial evidence, mostly concerning the results achieved in selected countries (namely, Latin America), where the Programme and its predecessor have been active for quite a long period and have played a comparatively greater role.

³⁶ For a more detailed treatment, please refer to Annex F.

4 RELEVANCE

4.1 Introduction

The assessment of relevance involved the investigation of three broad themes, namely:

- The extent and severity of the **euro counterfeiting problem**, and, accordingly, the degree to which the continuation of Pericles 2020 euro protection activities is justified;
- The degree of **adequacy of institutional capabilities** to protect the euro and, accordingly, the extent to which further capacity building efforts under Pericles 2020 are justified; and
- The appropriateness of Pericles 2020's **strategic orientations**, i.e. the alignment of priorities, action types and target groups with the Programme's objectives.

The first and the second areas are contained respectively in EQ#1 and EQ#2, while the third aspect is addressed by EQ#3 and EQ#4.

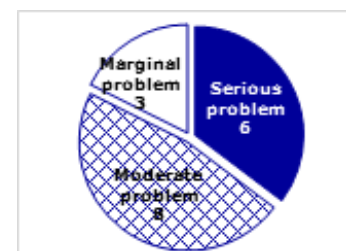
The assessment of the severity of the counterfeiting phenomenon relied on a combination of documentary and primary sources. Documentary sources include statistics published by ECB and ETSC as well as various Europol reports, while primary sources consist of interviews with CNA (namely Implementers) and EU/international institutions as well as results from the Survey of Participants. The analysis of the degree of adequacy of institutional capabilities and the appropriateness of the Programme's strategic orientations was based on the feedback received through the stakeholder interviews; primarily the interviews with CNA (i.e. Implementers) and EU/international institutions, but also – to a smaller extent – with Supported Authorities as well as Former Implementers and Non Applicants.

4.2 Severity of the Euro Counterfeiting Phenomenon [EQ#1]

4.2.1 Recent Developments and Current Situation

Perceptions of Stakeholders. About half of the interviewed stakeholders (namely Implementers and EU/international institutions) believe the **phenomenon of euro counterfeiting to currently be of 'moderate' proportions** (or indeed of 'marginal' dimensions for one fifth). There are, however, countries in which the phenomenon is more widespread. Around one third of the interviewed stakeholders consequently consider euro counterfeiting as a 'serious' problem in some countries. More concern is commonly expressed with regard to Italy (where much of the production of counterfeited euro banknotes and coins originates)³⁷ and France (through which euro counterfeits are distributed). Euro counterfeits are historically also relatively present in Spain as well as becoming more diffuse in Germany. In fact, these **four MS, also the most populated in the EU, account for around three quarters of all counterfeit euro banknotes detected in circulation.**³⁸ Furthermore, following relocations of know-how away from Italy on part of organised crime groups,³⁹ some of the production of counterfeits is moving to Bulgaria and Romania (also important transit countries).⁴⁰ **Bulgaria and Romania** together with the rest of South Eastern Europe is considered by both

Exhibit 4.1 Perception of Severity of Euro Counterfeiting Phenomenon - Institutions



n=17 (10 Implementers; 7 EU/international institutions)

³⁷ In fact, around 80% of the most dangerous counterfeit euro banknotes detected in circulation in 2016 are estimated to originate from production in the area around Naples (the so called 'Napoli group' of common class counterfeits) - ECB presentation at 70th ECEG meeting, November 2015. Furthermore, based on information retrieved during ECEG meetings, it is estimated that 56 illegal printshops and mints have dismantled in Italy alone between 2002 and 2015 - 2016 Update of Pericles 2020 Strategy.

³⁸ Consultant's calculation based on restricted ECB counterfeit banknote data for the rolling year to end-October 2016.

³⁹ Europol (2015), Report on Euro Counterfeiting 2014 in 2015 Update of Pericles 2020 Strategy.

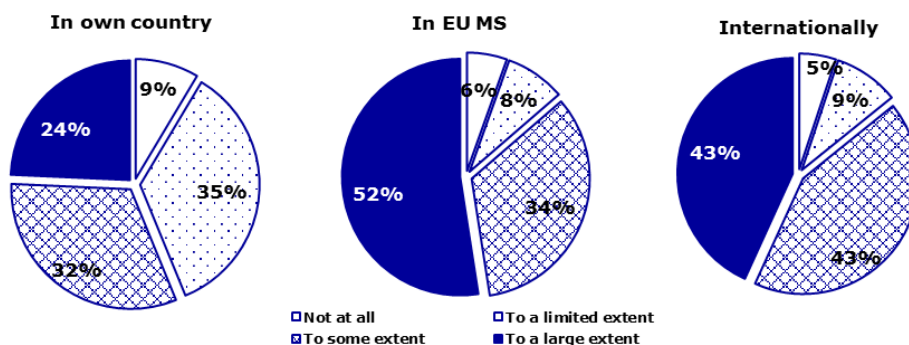
⁴⁰ For example, in 2016, Bulgarian authorities in collaboration with Europol seized around € 3 million in good quality counterfeit 50 euro banknotes; a type of counterfeit detected in circulation in an additional 10 MS - <https://www.europol.europa.eu/newsroom/news/successful-hit-against-bulgarian-and-slovenian-euro-counterfeiters>.

Europol and Interpol as one of the most sensitive regions and “active threat” to the euro because of its strategic geographic position (i.e. a ‘bridge’ between the countries in the Euro area and the Eastern Mediterranean as well as the countries of the former Soviet Union).⁴¹In this regard, **Turkey** is believed to represent a risk as a potential transit, as well as production, country.⁴²

The highest quality and largest quantity extra EU production of counterfeit euro banknotes, however, originates in **Colombia and Peru**, where important seizures of counterfeits have been made in recent years.⁴³ Finally, the distribution of euro counterfeits has apparently also increased of late in some countries (including Argentina and China) through the use of new distribution channels; namely the **deep/dark web**, which is considered the primary threat today by many interviewed stakeholders as it makes counterfeiting less traceable.⁴⁴ **China** is generally recognised as an increasing cause for concerns primarily with regard the production and sale of raw material and other components (such as inks, holograms, and other security features),⁴⁵ but also with regard to the production and distribution of actual counterfeit money.⁴⁶ Finally, another recent trend is an increase in **digital and inkjet printing** (as opposed to offset printing) thanks to the increasing access to technology. Although the quality of digital/inkjet banknotes is poorer,⁴⁷ it is easier and quicker to print on demand and hence less risky because there is no need to store produced counterfeits. This type of printing has also led to an increase in the number of occasional ‘amateur’ counterfeiters engaged in ‘do it yourself’ production, although professional offset printing still dominates the banknote counterfeiting scene.⁴⁸

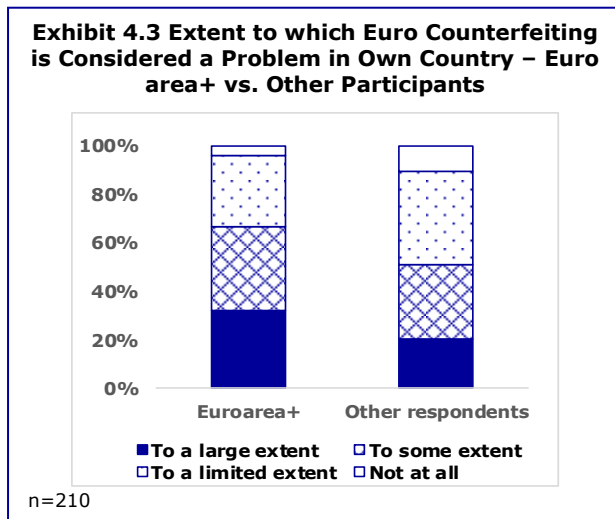
Participants’ Perceptions. With regard to the participants in Pericles 2020 actions, perceptions regarding the severity of the euro counterfeiting problem vary depending upon the geographical perspective considered (see Exhibit 4.2). **Overall, respondents consider the problem more serious at EU level than in their own country:** the share of ‘concerned’ respondents (i.e. those replying ‘to some extent’ or ‘to a large extent’) increases from 56% at the country level to 86% at the EU level. Euro counterfeiting is considered as a **significant threat also at the international level**, with 86% of ‘concerned’ participants, although in this case the assessment is influenced by a high share of non-respondents.⁴⁹

Exhibit 4.2 Extent to which Euro Counterfeiting is Considered a Problem – Participants



⁴¹ See for example Europol (2016), Report on Euro Counterfeiting in 2015 in 2017 Update of Pericles 2020 Strategy.
⁴² For example, some 8,800 pieces of counterfeited euros were seized in Turkey in 2015 - Interpol presentation at 72nd ECEG meeting, June 2016.
⁴³ For example, in 2014, € 600.000 and € 483.000 in counterfeit euro banknotes were seized respectively in Bogota and Lima. Europol (2015), Report on Euro Counterfeiting in 2014 in 2015 Update of Pericles 2020 Strategy.
⁴⁴ Already in 2013, Europol pointed to the trade of counterfeit euros over the internet as an increasing cause for concern - Europol, EU Serious and Organised Crime Threat Assessment (SOCTA) 2013.
⁴⁵ Holograms are not always sold on the deep/dark web as they have been found also on ‘open’ Internet trading platforms (such as ‘Alibaba’).
⁴⁶ For example, more than 300,000 counterfeit coins produced in China were seized by Italian customs and law enforcement authorities in 2014 - Europol (2015), Report on Euro Counterfeiting 2014 in 2015 Update of Pericles 2020 Strategy.
⁴⁷ On the other hand, the quality of counterfeited euro coins has improved – ETSC, The protection of euro coins in 2015: Situation as regards euro coin counterfeiting and the activities of the European Technical & Scientific Centre (ETSC).
⁴⁸ Offset printing typically accounts for 70-80% of all counterfeits - ECB presentation at 69th ECEG meeting in June 2015.
⁴⁹ Due to lack of experience, more than one fifth of respondents were not able to express an assessment regarding the severity of the threat at the international level.

Participants' perceptions of the problem in their own country also vary depending upon the origin of respondents. Predictably, **at the country level, respondents from the 19 MS in the Euro area and other countries having unilaterally adopted the euro** (hereinafter 'Euro area+')⁵⁰ **are more worried than participants from countries where the euro is not the legal tender.** Indeed, the share of 'concerned' respondents from countries in the Euro area+ is 67% compared with 48% in the case of participants from other countries. Spanish respondents are the most concerned about euro counterfeiting (almost three quarters responding 'to some extent' or 'to a large extent'), while participants from Finland and the Baltics are the most relaxed (none responding 'to a large extent' and only one 'to some extent').



Overall Assessment of the Phenomenon. Despite diverging opinions as well as countries and issues of greater concern, there is a **general consensus around the problem currently being "under control and contained within acceptable limits"** ("The confidence and trust in the euro is not at peril"). In fact, as presented in Exhibit 4.4 on the following page, the number of counterfeit euro banknotes **detected in circulation** is now down to 684,000 pieces annually; or around 50,000 per month (which represent an "acceptable benchmark" for ECB). Similarly, the number of detected counterfeit euro coins has been stable at between 150,000 and 200,000 pieces per year since a peak in 2008. These levels of counterfeits are to be considered modest in relative terms, i.e. when compared to the number of genuine banknotes and coins in circulation. In 2016, the proportion of counterfeits detected in circulation was one for every 30,000 genuine banknotes (all denominations) and one for every 124,000 genuine coins (three highest denominations).⁵¹ Furthermore, the total annual face value of counterfeits detected in circulation usually remains between € 30 and 40 million.⁵² This is a very low figure when compared to for example card fraud; in 2013, the accumulated value of fraudulent transactions with cards issued within the Single Euro Payment Area⁵³ totalled € 1.44 billion (or 0.039% of the aggregate value of all transactions).⁵⁴

⁵⁰ I.e. Kosovo, Montenegro, and San Marino.

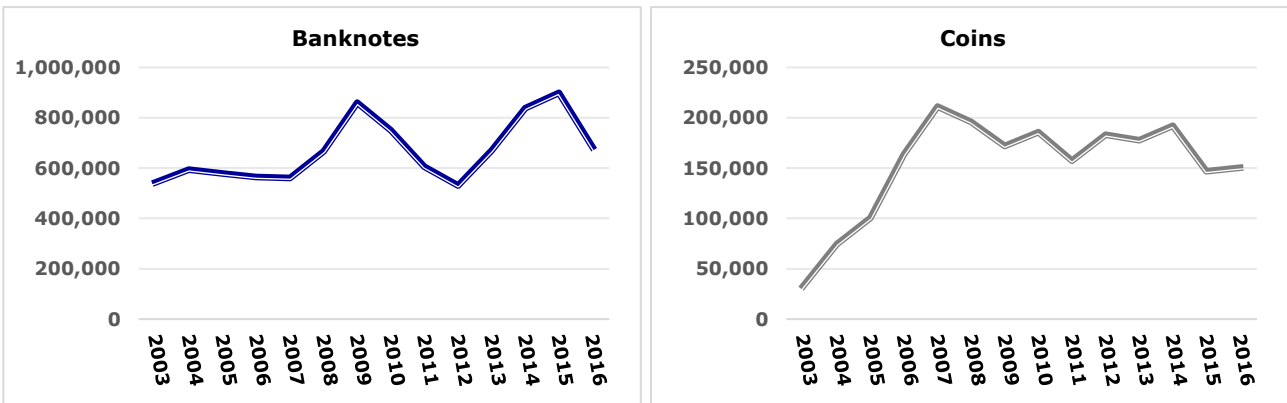
⁵¹ Consultant's calculations based on ECB and ETSC data on the number of counterfeit banknotes and coins detected in circulation in 2016 and ECB data on the number of banknotes (all denominations) and coins (2 euro coins, 1 euro coins, and 50 euro cent coins) in circulation as of the fourth quarter of 2016.

⁵² ECB presentation at 70th ECEG meeting, November 2015.

⁵³ Namely the 28 EU MS, the four EFTA countries (Iceland, Liechtenstein, Norway, and Switzerland), as well as Monaco and San Marino.

⁵⁴ ECB, Fourth report on card fraud, July 2015. Cash usage varies from country to country, but within the Euro area, the value of all cash transactions is between 1.5 and 2 times higher than the value of all electronic payments (at points of sale) - ECB Monthly Bulletin, "The use of euro banknotes – Results of two surveys among households and firms", April 2011.

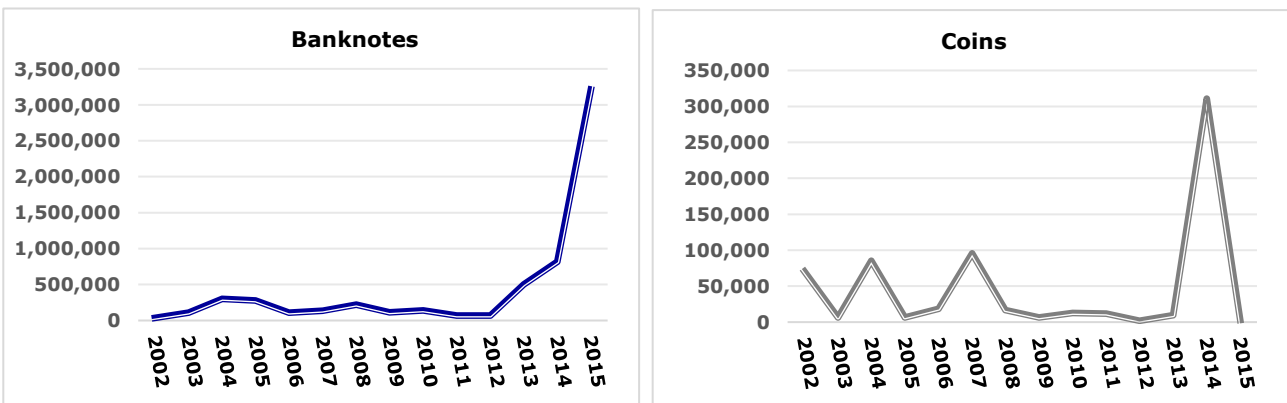
Exhibit 4.4 Counterfeit Euro Banknotes and Coins Detected in Circulation: 2003-2016



Source: ECB and ETSC.

Apart from counterfeits detected in circulation, a good number of counterfeit euro banknotes and coins are also increasingly **seized** by law enforcement agencies **before entering into circulation** (see Exhibit 4.5 below) provides an overview of the number of counterfeited euro banknotes and coins seized. With regard to banknotes, the 2015 peak is primarily related the largest ever seizure of counterfeits in an Italian operation (see further footnote in Section 5.4.2 below). Similarly, the 2014 peak for counterfeit coins is almost exclusively connected to a very large seizure in Italy. The total face value of the seized counterfeit banknotes and coins at the corresponding peaks in 2015 and 2014 is estimated respectively at around € 66 million⁵⁵ and € 560,000.⁵⁶ Finally, international seizures (in number of pieces as reported by Interpol) of counterfeit euros are commonly lower than for the US dollar (i.e. 10% less in 2014 and 84% less in 2015).⁵⁷

Exhibit 4.5 Counterfeit Euro Banknotes and Coins Seized before Circulation: 2002-2015



Source: DG ECFIN, "Effectiveness of actions against euro counterfeiting – update 2015", presentation at 73rd ECEG meeting, November 2016.

⁵⁵ Europol (2016), Report on Euro Counterfeiting 2015 in 2017 Update of Pericles 2020 Strategy.

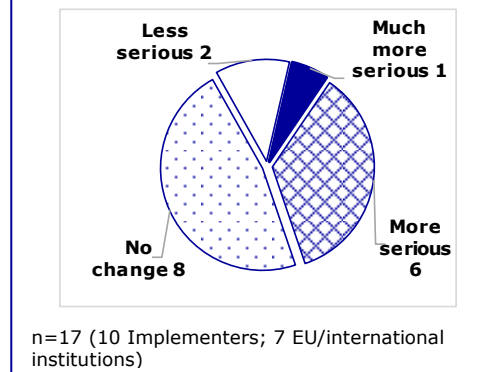
⁵⁶ ETSC (2015), The protection of euro coins in 2014 in 2016 Update of Pericles 2020 Strategy.

⁵⁷ Interpol presentation at 72nd ECEG meeting, June 2016.

4.2.2 Likely Evolution

Predictions about the medium-term future vary. Around half of the interviewed stakeholders expect that the situation will 'not change' because of counterbalancing forces (i.e. more countries adopting and using the euro, but also less use of cash) and the fact that the average long-term trend in the number of counterfeits detected in circulation seems to have stabilised. Only two stakeholders anticipate the situation to become 'less serious' primarily thanks to the recent release of the new 20 and 50 euro banknotes (part of the 'Europa' series) with enhanced security features, but also as a result of improved authentication measures. On the other hand, two fifths believe that the problem will become 'more serious' and 'much more serious' not only because counterfeiters will be able to adapt to enhanced security features ("*Still a good business for criminals*"), but primarily because of increasing 'do it yourself' production and use of new distribution channels (i.e. the deep/dark web as well as the 'open' Internet). In this regard, China is again considered a particular risk factor by most interviewed stakeholders. Europol's recently released SOCTA report also identifies the increase in online trading and use of parcel services as one of two main threats to the euro.⁵⁸

Exhibit 4.6 Perception of Medium-term Evolution of Euro Counterfeiting Phenomenon



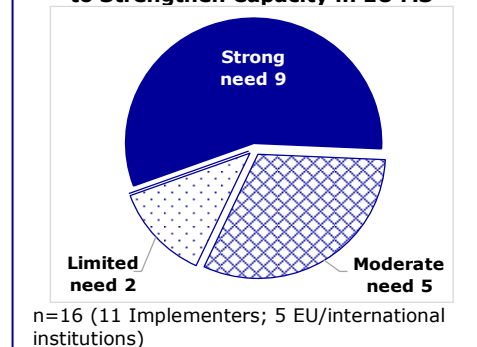
In conclusion, although the counterfeiting of the euro is perhaps not as serious a problem as for example terrorism and sources are not in full agreement regarding all aspects of the phenomenon,⁵⁹ it does **constitute a threat that is not to be underestimated**. Most interviewed stakeholder call for vigilance ("*It's a continuous race in order to guarantee the trust in the euro*"; "*Need to apply contact pressure to keep the phenomenon at bay*"). Apart from the confidence and trust in the euro being essential for the proper functioning of the EU market and economy, the **protection of the euro as one of the symbols of the EU is important also from a political point of view**. The general objective of the Pericles 2020 Programme - i.e. contribute to prevent and combat counterfeiting of the euro and related fraud - can hence be regarded as having continued relevance.

4.3 Adequacy of Institutional Euro Protection Capacities [EQ#2]

Adequate institutional capabilities are a precondition for an effective euro protection and the strengthening of these capabilities constitutes the *raison d'être* of Pericles 2020. The analysis of available evidence clearly suggests, that while considerable progress has been achieved, **there is still significant need for capacity strengthening, both in EU MS and in third countries**.

Capacity Strengthening Needs in EU MS. In EU MS, many CNA have reached good, sometimes excellent, levels of preparedness. However, **the majority of the EU stakeholders consulted still believe that there is a need to strengthen the institutional capabilities**. The need is commonly believed to be stronger in the new MS (such as Croatia) and more moderate in others. However,

Exhibit 4.7 Stakeholders' Views - Need to Strengthen Capacity in EU MS



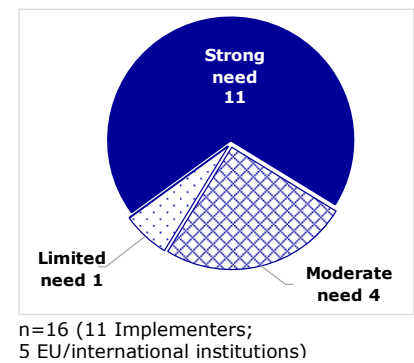
⁵⁸ Europol, EU Serious and Organised Crime Threat Assessment (SOCTA): Crime in the age of technology, 2017.

⁵⁹ For instance, Europol reports often emphasise the involvement of organised crime in euro counterfeiting (see Europol, Interim SOCTA 2015, 16 March 2015). At the same time, the results of the study on euro counterfeit in France just completed by DCPJ-OCRFM suggest that counterfeiting is largely unconnected with organised crime. The two positions are not necessarily in contradiction, as the situation may well differ between production and distribution. However, this example clearly suggests that the assessment of the phenomenon requires a nuanced approach.

even in countries that have matured considerable experience in the fight against euro counterfeiting (such as France, Germany, Italy, and Spain), stakeholders say there is always a need for updates; especially on the technical and operational side and with regard to new challenges such as the deep/dark web (*"In this sense Pericles is an extraordinary instrument"*). Continuous capacity building is also considered important where staff frequently change or staff levels have been reduced (*"Capacity at some institutions is now down to an absolute minimum; if not below"*). In terms of specific needs, many interviewees point to support – as well as a common action – on the deep/dark web. Finally, a number of stakeholders also call for the need for harmonisation of legislation (particularly with regard to investigation and enforcement as promoted by the 2014 Directive on the protection of the euro and other currencies against counterfeiting by criminal law).

Capacity Strengthening Needs in Third Countries. In third countries, some progress has been achieved in recent years, also thanks to the efforts deployed under Pericles 2020 and its predecessor. Nonetheless, **a clear majority of the EU stakeholders consulted consider that there is a significant need for further institution strengthening efforts.** They particularly stress the importance of: (i) building an adequate 'institutional infrastructure', primarily through the setting up of NCO; (ii) strengthening detection and authentication capacities; (iii) enhancing investigative techniques; and (iv) harmonising legal frameworks. Support to further build the candidate and association countries in South Eastern Europe (including Turkey) is deemed as particularly important, in order to *"create a network of protection"*, is deemed particularly important. However, several stakeholders also point to significant institution strengthening needs in other countries and regions, such as Latin America (Colombia and Peru), North Africa (especially those countries with which the EU has strong commercial ties), and China (*"Investment here will pay back in terms of keeping the problem at bay"*).

Exhibit 4.8 Stakeholders' Views - Need to Strengthen Capacity in Third Countries



The views of EU stakeholders are confirmed by **third country authorities, who are all definitely interested in taking part in additional Pericles 2020 initiatives in the future.** The nature of the assistance sought by these authorities also largely echoes the themes mentioned above, including: (i) training on investigative techniques and technical aspects (including themes linked to the deep/dark web and the trade in raw materials used by counterfeiters); (ii) support to improve legal frameworks, especially in the area of criminal law; as well as (iii) support to increase preparedness in commercial banks and financial institutions.

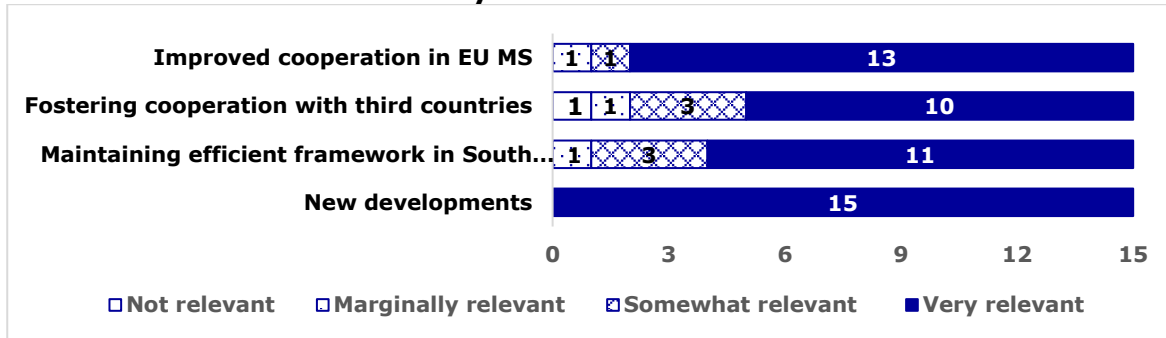
4.4 Appropriateness of Strategic Orientations [EQ#3, EQ#4]

4.4.1 Appropriateness of Priorities

In line with the situations and views regarding the severity of the euro counterfeiting problem and its expected evolution (as presented in Section 4.2 above), **all current four priority areas are on the whole deemed as 'very relevant'** (see Exhibit 4.9 below). Only a handful of stakeholders (both Implementers and EU/international institutions) expressing a more reserved assessment ('somewhat relevant' or 'marginally relevant') regarding selected areas (e.g. cooperation with third countries). Most interviewees hence agree with the 'hot spot' countries/regions identified under the second and third priority areas, even if some believe that the Programme should focus more on the EU (*"The problem is mainly there, so resources should be invested there"; "No need for third country conferences every year"*). On the whole, implemented Pericles 2020 actions (as presented in Section 2 above) have indeed focused on prioritised countries/regions 'at risk' and topics (i.e. deep/dark web). While no appreciable change in priorities is suggested, **some respondents particularly point to the need for a stronger focus on China** (as covered by the third priority area) **as well as the deep/dark web and R&D activities** (as presently included in the fourth priority area under the 2016

Update of the Pericles 2020 Strategy). With regard to China, some Implementers particularly stress the importance of the Programme in addressing and taking responsibility for this relationship directly through the Commission (DG ECFIN). Finally, also the Former Implementers and Non Applicants agree with the priority areas of Pericles 2020 and for none of them has the Programme’s strategic orientation played a role in their decision to not apply for Pericles 2020 funding. Only one Former Implementer claims the general transnational approach of Pericles 2020 to be a limitation since they need to train their own national staff, but do not have the capacity to implement a greater event including other countries.

Exhibit 4.9 Relevance of Priority Areas

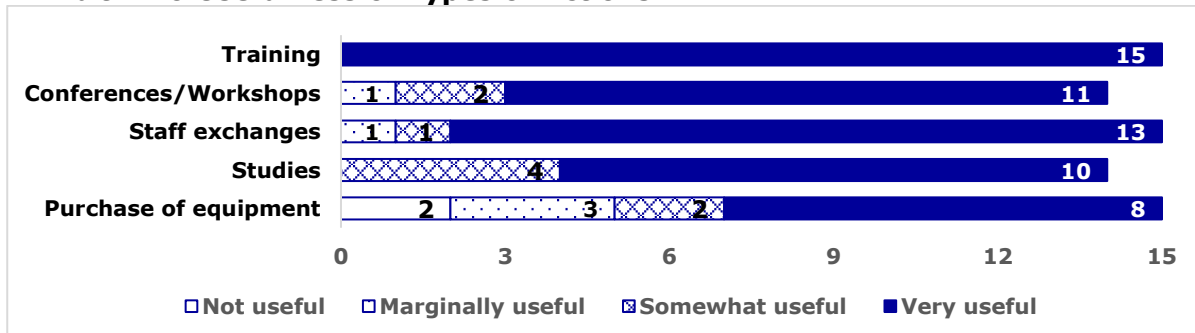


n=15 (11 Implementers; 4 EU/international institutions)

4.4.2 Appropriateness of Types of Actions

As presented in Exhibit 4.10 overleaf, **training and staff exchanges are generally considered 'very useful'** by the interviewees (Implementers and EU/international institutions). Staff exchanges are also particularly appreciated by Supported Authorities (*"There is nothing better"*). The usefulness of **conferences/workshops**, although they serve a different purpose (i.e. conferences generally tend to strengthen networks, while training and staff exchange seek to enhance capacities), is also assessed in positive terms by most respondents. With regard to **studies**, a few Implementers consider them to be only 'somewhat relevant' (*"Most of the important stuff has now already been studied – don't really need much more analysis, but rather putting stuff into practice"*). However, reservations with regard to the studies refer primarily to the subject matter rather than to the instrument per se (*"Need to identify which themes/areas are not covered and then invest resources - which are always scarcer and limited - on these"*). **Views are more divided regarding the purchase of equipment for authorities in third countries.** This type of action is considered positively - 'very useful' - by some (*"a much needed instrument"* in order to bring non-EU authorities closer to certain standards), but regarded with scepticism - only 'somewhat useful', 'marginally useful', or indeed 'not useful' - by others (*"only if there really are no other funds for this"*). Finally, stakeholders (Implementers as well as EU/international institutions) generally appreciate the support for mix of actions, although a few stress the need for less general and more targeted technical and practical actions for certain countries (including more strategic and technical preventive support and not only operational support).

Exhibit 4.10 Usefulness of Types of Actions



n=15(13) (11(10) Implementers; 4(3) EU/international institutions)

4.4.3 Appropriateness of Multidisciplinary Approach

The multidisciplinary approach adopted by Pericles 2020 is **unanimously considered as strategically important and necessary for the protection of the euro**. The Pericles 2020 Programme is the only initiative at the EU (and international) level that targets a range of different professional groups relevant for both the prevention and the repression of euro counterfeiting. This approach is appreciated not only by the Implementers and EU/international institutions, but also by several the Former Implementers and Non Applicants. In fact, none of the CNA call for a more 'targeted' approach in general (although a couple of Implementers thought that it would be useful, within larger conferences, to include separate sub-events or workshops for different professional groups thereby allowing them to delve into specific matters in greater detail – "*Building infrastructure can be done together, while security features can be done separately*"). Nevertheless, actual participation on part of some target groups is relatively weak. Customs authorities as well as private sector operators (including bankers and cash handlers) are among the target groups of the Programme, but a few stakeholders point out that they are commonly not involved in actions and hence call for a stronger actual engagement of these two groups in particular in order for the Programme to have an even greater outreach. The involvement of customs authorities is considered increasingly important in order to more effectively combat the new distribution networks (i.e. parcel deliveries following online purchases). Furthermore, even if Pericles 2020 has seen an increasing involvement of the judiciary (in fact, as presented in Section 5.2.1 below, 13% of all participants in Pericles 2020 actions include representatives from prosecutor, magistrate or other judiciary offices), a couple of Implementers believe their participation could be further encouraged in more actions.

5 EFFECTIVENESS AND SUSTAINABILITY

5.1 Introduction

The assessment of effectiveness and sustainability entailed the analysis of four main aspects, namely:

- the Programme's ability to deliver the **expected outputs**, in both quantitative and qualitative terms;
- the Programme's ability to achieve the **intended outcomes**, measured in terms of enhanced institutional capabilities to protect the euro;
- the Programme's **contribution** to protect the euro against counterfeiting and related fraud as well as to other EU priorities; and
- The extent to which the results achieved by Programme actions are likely to **persist over time (sustainability)**.

While the first three themes are respectively covered by EQ#5, EQ#6, and EQ#7, the last topic is addressed by EQ#15.

The assessment of output delivery relied extensively on the analysis of both Programme Documents (notably the annual implementation reports, but also – for comparative purposes – the evaluation of the previous Pericles Programme) and Action Documents (namely the Technical Reports) as well as of feedback from the Survey of Participants (supplemented with information from the participants' satisfaction surveys carried out at the end of Pericles 2020 events). The assessment of the three other aspects relied primarily on the evidence collected through interviews with various entities (notably Implementers and Supported Authorities, but also EU/international institutions) and information from the Survey of Participants. The analysis of the Programme's contribution to euro protection also involved a critical review of the four performance indicators as spelled out in Article 4 of Regulation 331.

5.2 Ability to Deliver Expected Outputs [EQ#5]

5.2.1 Participation in Actions

Ability to Reach the Intended Number of Participants. *The number of participants in Pericles 2020 actions was largely in line with targets.* Information on both the expected and actual number of participants is available for 21 actions. In eight cases, the target was reached or surpassed while for the remaining 13 actions participants were fewer than expected. Differences between actual and expected participants are usually small and there are just a couple of cases in which deviations are in the order of 20%.⁶⁰ Overall, the 21 actions for information is available were attended by 1,300 participants, compared with the 1,332 envisaged, with a difference of just 2%. Considering the difficulties inevitably associated with the organisation on large, international events, such a difference must be regarded as negligible.

Ability to Reach the Intended Target Groups. As presented in Exhibits 5.1 and 5.2 below, *participants in Pericles 2020 initiatives display a remarkable variety in terms of both geographical origin and professional affiliation.*⁶¹ In terms of geographical distribution, European representation accounts for just above half of the Pericles 2020 participation (compared to almost three quarters under the previous Pericles Programme); with one third of participants coming from both Euro area and non-Euro area countries in the EU and one quarter from non-EU countries in Europe (including Turkey). A good share also come from Latin America and Africa (namely North Africa), accounting for one fifth respectively of all Pericles 2020 participants. Furthermore, as a couple of Pericles 2020 actions have also targeted China, Asian

⁶⁰ These include the 2014 Med Conference in Rome; which saw the participation of 109 people against 82 expected participants (+33%), and the 2015 staff exchange on investigative techniques, attended by 81 people, compared with the 100 initially expected.

⁶¹ The data presented here refer to 870 unique participants in 13 actions for which the lists of participants are available. For more details, see Section 3, Box 3.4.

representation increased to 3% (up from 1% under the previous programme). With regard to professional distribution, police authorities account for half of Pericles 2020 participants (compared to almost two thirds under the previous Pericles Programme), but the Programme has seen a growing involvement of other target groups; namely central banks and mints, but also the judiciary. In fact, 22% and 13% of Pericles 2020 participants respectively come from monetary and judiciary authorities, compared to 12% and 7% under the previous Pericles Programme (years 2006-2013). The participation on part of commercial banks and other financial institutions remains at around 6%. In conclusion, Pericles 2020 implementation can consequently be considered to fulfil the transnational and multidisciplinary dimension as required by Regulation 331.⁶²

Exhibit 5.1 Geographical Origin of Participants

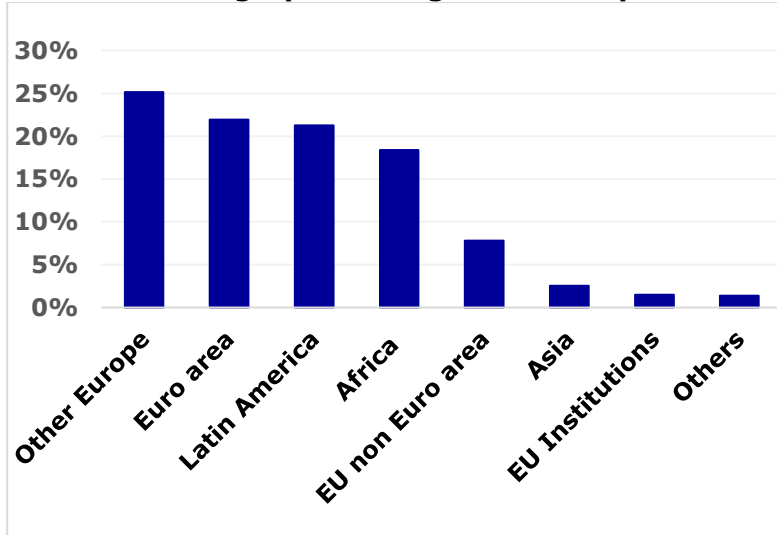
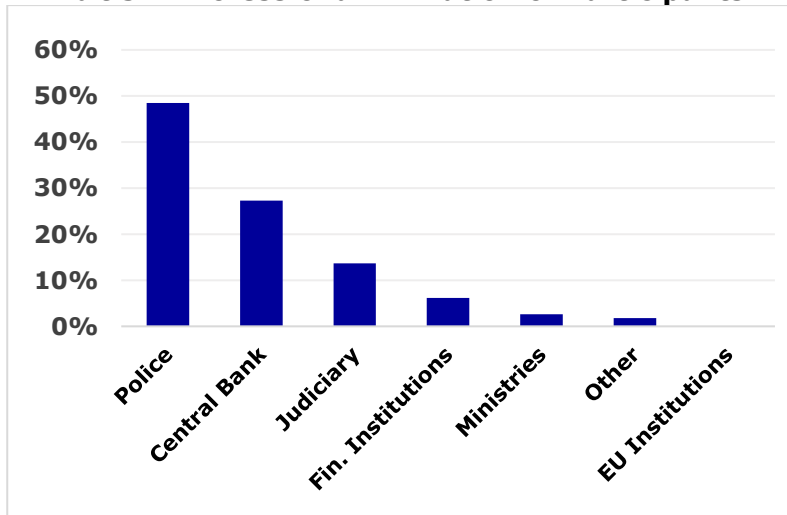


Exhibit 5.2 Professional Affiliation of Participants



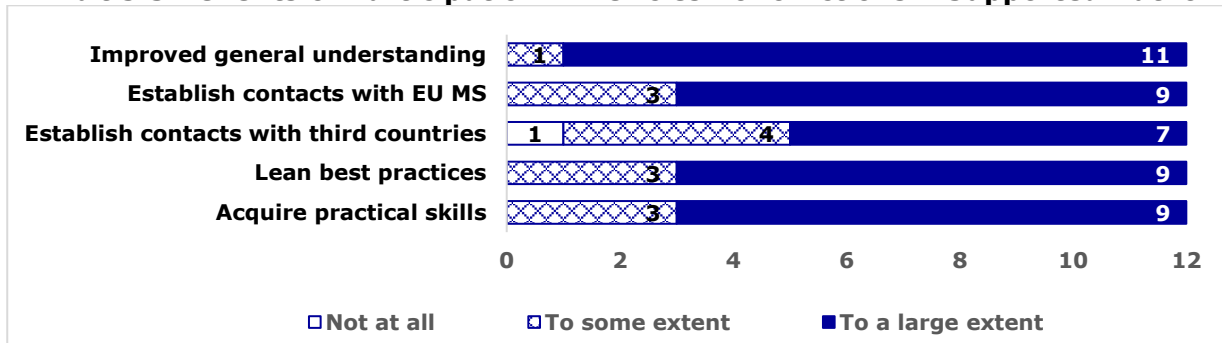
5.2.2 Quality of Outputs

Benefits of Participation - Authorities. From the point of view of the benefits of their participation in Pericles 2020 actions, the **Supported Authorities are generally very enthusiastic** in their assessment (see Exhibit 5.3 below). All but one entity believe that their involvement has resulted 'to a large extent' in improving the general understanding of issues linked to euro counterfeiting (for example in terms of the comprehension of euro counterfeiting

⁶² Numbers related to the previous Pericles Programme are taken from: 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 COM(2014) 550 final.

as a European/global phenomenon and not just local problem). Three quarters also claim that their participation allowed them 'to a large extent' to learn about best practices and acquire practical skills for the prevention and/or detection and/or repression of euro counterfeiting ("*Very useful and organised very well; gave the whole picture from start to end*") as well as to establish contacts with other people involved in the protection of the euro in EU MS. Supported Authorities have also benefitted from the establishment of contacts in other third countries, although only 'to some extent' for one third of the respondents. **Implementers also express positive comments with regard to benefits** of implementing Pericles 2020 actions (as well as participating in actions implemented by others), primarily with regard to improvements in general understanding - particularly with regard to the deep/dark web ("*Our deep/dark net knowledge comes from Pericles entirely*") - as well as establishment of contacts in EU MS, but also in some cases concerning the establishment of contacts in third countries, the learning best practices and the acquisition of practical skills.

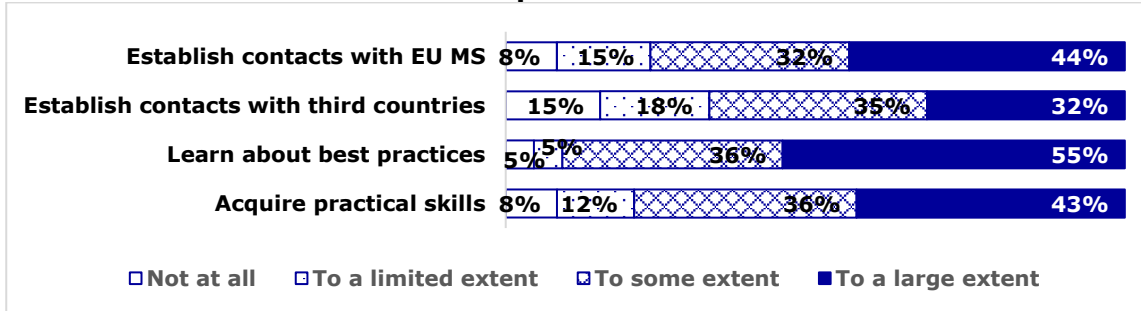
Exhibit 5.3 Benefits of Participation in Pericles 2020 Actions – Supported Authorities



Benefits of Participation - Participants. The positive impression regarding the performance of Pericles 2020 actions is confirmed also by the assessment provided by participants in the various actions. Surveyed **participants are globally satisfied with the results of their participation**, although there are some differences across the various types of benefits considered in the analysis (see Exhibit 5.4 below). The assessment is unambiguously positive regarding the ability to learn about best practices in the prevention and/or detection and/or repression of euro counterfeiting, with 91% of respondents providing a positive assessment (of which 55% expressing a highly positive view, i.e. 'to a large extent'). The surveyed participants also express high appreciation concerning the ability to acquire practical skills and the establishment of professional contacts in EU MS, with more than three quarters of respondents providing a positive ('to some extent') or highly positive ('to a large extent') assessment. Views are also globally positive, albeit less enthusiastic, regarding the establishment of professional contacts in third countries, with two thirds of respondents declaring to have derived significant benefits in this regard, while 15% (themselves mostly from third countries) have not extended their network of third country contacts as a result of their participation in Pericles 2020 events.

Furthermore, two points are worth noting. First, **the nature of benefits is correlated to the nature of initiatives**. In particular, respondents participating in staff exchanges tend to express more positive views regarding the acquisition of new skills and/or the learning of best practices, while those attending conferences tend to emphasise benefits in terms of new contacts. Second, **only a tiny minority of participants display a critical view** providing a lukewarm or outright negative assessment ('to a limited extent' or 'not at all') regarding all types of benefits. These include only 15 respondents (i.e. 7% of the total), of which eight are from Latin America, three from Kosovo and four from EU MS (with the latter group having attended various conferences).

Exhibit 5.4 Extent to which Participants Derived Benefits from Pericles 2020 Actions



n=218

Finally, the findings of the web survey carried out during the Evaluation more or less confirm the satisfaction expressed by participants at the time of their participation in Pericles 2020 actions. Upon the conclusion of each event, participants are asked to complete an evaluation form and rank their satisfaction with regard to a number of aspects of the implemented action.⁶³ The vast majority of participants have submitted evaluation forms and among these, **an average of 97% have expressed a 'very good' or 'good' degree of satisfaction**.⁶⁴ Lower levels of satisfaction are usually related to the logistical aspects (namely food and beverages, accommodation, and/or language facilities,) of the implemented actions. Consequently, only a very limited number of complaints (i.e. only one or two at a couple of events) concern more substantive matters (such as documentation and actual content).

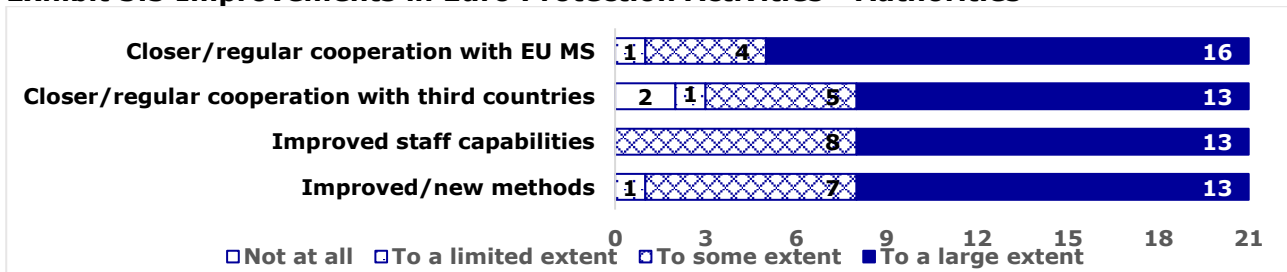
5.3 Ability to Achieve Intended Outcomes [EQ#6]

As in the case of any capacity building programme, the benefits associated with the participation in Pericles 2020 actions (the 'outputs') do not necessarily translate into tangible improvements in institutional and operational capabilities (the 'outcomes'). Indeed, the information, knowledge and skills acquired through the participation in Pericles 2020 actions is a necessary but not sufficient condition for achieving the desired increase in institutional capacity, as other factors may well be at play. **The degree of outcome achievement is primarily measured through four indicators**, concerning the quality and intensity of cooperation among authorities (both within the EU and with third countries), the adoption of new or improved methods, and the enhancement of staff capabilities.

5.3.1 Improvements in Capabilities – Views of Authorities

The participation in Pericles 2020 actions is widely regarded to have brought significant improvements in institutional capabilities. Indeed, as shown in Exhibit 5.5 below, a solid majority of authorities interviewed (CNA and third country authorities) report a 'large' improvement in all the four indicators considered.

Exhibit 5.5 Improvements in Euro Protection Activities - Authorities



n=21 (9 Implementers; 12 Supported Authorities)

⁶³ Namely (i) welcome, (ii) general organisation, (iii) accommodation, (iv) food and beverages, (v) language facilities, (vi) relevance of subject matter, (vii) documentation, and (viii) overall impression.

⁶⁴ Calculation based on the 16 actions for which information on evaluation forms is available.

The main improvement concerns the level and quality of interactions with other relevant authorities in EU MS, with just above three quarters of respondents reporting progress to 'a large extent'. Predictably, the assessment is more positive in the case of CNA, but third country authorities also report a more fluid interaction with their counterparts in EU MS. **Results are also positive regarding the cooperation with third country authorities**, although the scale of the improvement is somewhat lesser (especially for Supported Authorities in third countries). In this case, there are also a couple of dissenting views, but these are explained by the specific nature of the actions implemented or attended by the authority in question (e.g. a conference in which third countries were indeed scarcely represented). More generally, interviewees display high appreciation for the opportunities offered by the Programme in forging new relationships or reinforcing pre-existing ones (*"The staff exchange allowed us to establish a good working relationship, we are still in contact"*), with positive influence on operational activities (*"Now we know whom we should contact in case of need"*; *"We have been able to exchange valuable information on several occasions"*).

The situation is also positive, albeit more nuanced, regarding the improvement of staff capabilities and the deployment of new or improved methods. Indeed, while virtually all respondents report an improvement, there are some differences between CNA and Supported Authorities. The latter provide a fairly enthusiastic assessment, generally reporting a 'large' improvement, and credit Pericles 2020 with progress in a variety of areas (*"We have refined our authentication techniques and improved our sensitisation activities"*; *"More effective and timely procedures in dealing with suspected counterfeits"*; *"Reinforced the capacity to act by commercial banks"*; *"Exchange of information and best practices have allowed us to define possible risks and prepare possible measures"*). CNA implementers also report progress, but typically on a lesser scale. This is scarcely surprising since Implementers are typically well-established institutions, already with a solid experience in euro protection activities. It would hence be unrealistic to expect that the participation in Programme initiatives could systematically trigger major 'breakthroughs'. In this respect, it is worth noting that the Implementers providing a positive, but less enthusiastic, assessment are typically those with a longer and heavier involvement in Pericles 2020 activities (as well as in the predecessor programme), suggesting the existence of a sort of 'law of diminishing returns'. Nevertheless, Implementers also point to specific areas of improvement; for example, one respondent credited Pericles 2020 with having supported stronger cooperation between law enforcement officials and the judiciary (*"Participation in Programme actions allowed to sensitise prosecutors"*). Another respondent particularly appreciates the Programme for its 'traction'/encouragement of relevant staff (*"If there would be no Pericles, we would do our work anyway, but there would be less voluntarism, less interest and understanding of the phenomenon"*).

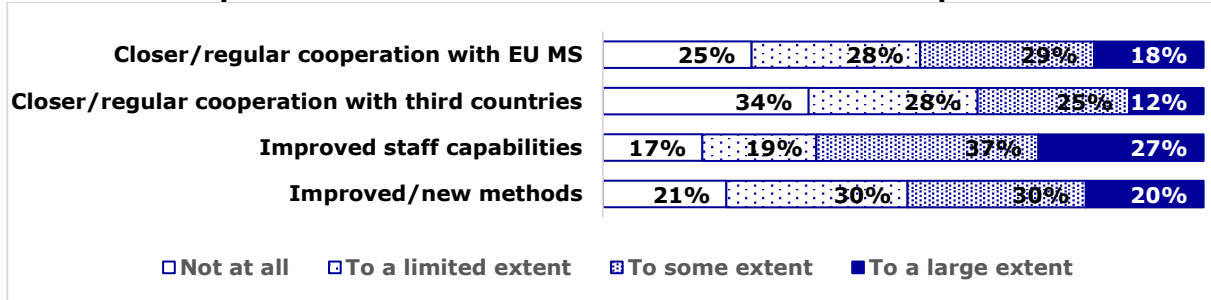
The degree of 'outcome achievement' declared by respondents varies considerably, depending upon the areas of potential improvement considered.

5.3.2 Improvements in Capabilities – Participants' Views

The improvement in capabilities noted by participants in Pericles 2020 shows significant variations across the four indicators considered (see Exhibit 5.6 below). **The most positive results concern the general strengthening of staff capabilities**, resulting from training and the dissemination of best practices, with almost two thirds of respondents reporting a tangible improvement (i.e. 'to some extent' and 'to a large extent') in this regard. **Results are much less positive regarding the enhanced cooperation between authorities in third countries**, with only 38% of the surveyed participants (themselves primarily from third countries) reporting a tangible improvement, compared with 34% reporting 'no' improvement at all and another 28% reporting only 'limited' progress. This is in line with what has been outlined above (Section 5.2) regarding the ability of mostly third country participants to establish contacts in other third countries (which obviously constitutes a precondition for an enhanced cooperation), but also reflects external factors, namely the willingness of third country authorities to effectively engage in cooperation with other third country authorities. **Concerning the cooperation with EU national authorities and the use of new or improved methods, the situation overall is somewhere in between**, with nearly half of respondents reporting

tangible improvements against 20-25% signalling 'no' progress and 25-30% reporting only a 'limited' improvement.

Exhibit 5.6 Improvement in Euro Protection Activities - Participants



n=213

The nature of the specific improvements experienced by participants in Pericles 2020 actions is quite varied. Some examples are provided in Box 5.1 below.

Box 5.1 Examples of Improvements in Capabilities Linked to Participation in Pericles 2020 Actions

Several Latin American respondents report an improvement in the **ability to detect counterfeited euro banknotes** ("Mayor destreza al momento de reconocer la moneda espuria de la original") thanks to the specimens and other materials distributed during Pericles 2020 actions. This has also contributed to speed up the analysis of suspected banknotes ("Mayor celeridad al momento de realizar el peritaje").

Several respondents from various countries report an improvement in **"crime investigation methodologies"**. This has resulted in a better organisation of activities ("Orientación al personal para que realizan mejor el trabajo") and, in some cases, has led to the adoption of specific measures (such as "training dogs ...for sniffing counterfeited money").

Other participants from various countries mention an improvement in the **general level of preparedness** ("Better anticipation of problems that might occur") thanks to a better understanding of the threat ("Have more information in ongoing falsification methods in region") and of criminals' operating modalities ("Conocimiento en los modus operandi utilizados por los falsificadores del euro").

Finally, several participants, again from various countries, emphasise Pericles 2020's contribution to the enhanced **cooperation among the various entities involved** ("Ha extendido la cooperación interinstitucional"), including the cooperation with services previously only partially involved in the process ("Développer et partager les réflexes de vérification de l'authenticité des devises en cas de découverte lors saisies douanières").

5.3.3 Summing Up

The evidence presented above clearly suggests that Pericles 2020 actions did result in a significant improvement in institutional capabilities. There are, however, some differences across the indicators considered. Improvements in staff capabilities and the deployment of new or improved methods are emphasised by third country authorities and by individual participants. CNA also report progress in these areas, but on a lesser scale, owing to their higher starting point. The opposite situation is found regarding improvements in inter-institutional cooperation. In this case, the most positive results were achieved by CNA, which almost invariably report substantial progress in the level and quality of interactions with sister organisations in both EU MS and third countries. Positive developments are also reported by third country authorities and by individual participants (mostly from third countries), but on a much smaller scale. However, since Pericles 2020 primarily seeks to promote cooperation between EU MS and third countries, more limited cooperation among third country authorities is not considered to negatively reflect on the Programme's achievements. Overall, these differences in results reflect the diversified nature of Pericles 2020's audience, which includes

authorities with quite different levels of capabilities and needs. The fact that, despite these differences, the views expressed are generally positive, is a clear indication of success.

5.4 Contribution to Euro Protection and Other EU Priorities [EQ#7]

5.4.1 Contribution to Improvements in the Legal and Institutional Framework

In some regions, the Programme has played a role in the strengthening of the legal and institutional framework.⁶⁵ In the case of **South Eastern Europe**, for example, Pericles 2020 (based on the groundwork prepared by the previous Pericles Programme) is mentioned to have "significantly contributed" to the drafting of a new regulation covering all aspects of cash operations adopted in Kosovo in May 2016.⁶⁶ In more general terms, Pericles 2020 (just like its predecessor as well as TAIEX) seeks to contribute to an overall improvement of the legal framework in South Eastern Europe through the accession negotiations (also by participating in the hearings on relevant chapters). However, the extent to which legal changes have contributed in practice to euro protection is difficult to ascertain. Furthermore, under the previous Pericles Programme, Kosovo, Montenegro, and Serbia (as well as Turkey) signed so called 'cooperation arrangements' on the exchange of information on counterfeit euro coins between the central banks and the Commission (namely ETSC). Similar arrangements have been signed with ECB with regard to the exchange of information on euro banknotes. In practice, however, only Montenegro seemingly actively cooperates to this end.

In **Latin America**, very early actions under the previous Pericles Programme contributed to the establishment and strengthening of National Central Offices (NCO) or similar structures, which constitute an obvious pre-condition for an effective currency protection action. More specifically, the Peruvian NCO was created in 2004, while in Colombia a 2003 Regulation established a support structure against counterfeiting and trafficking of currency (a sort of 'embryonic' NCO). Pericles 2020 is currently also working with Argentina (namely *Policia Federal*) towards creating an NCO in line with the Geneva Convention. Initial steps for the creation of an NCO (or similar structure for those not signatories of the Geneva Convention) are also being made in Chile, Ecuador, Uruguay.⁶⁷

5.4.2 Contribution to Euro Protection Operations

Performance Indicators. According to Regulation 331, Pericles 2020 performance is ultimately to be measured against a set of four specific quantitative indicators listed in Article 4, i.e. the number of (i) counterfeits detected, (ii) illegal workshops (printshops and mints) dismantled, (iii) individuals arrested, and (iv) penalties imposed. These indicators have been operationalised by setting a target for 2020 of 5% compared to the 2011 baseline (as well as, with regard to illegal workshops dismantled and individuals arrested, a milestone of 3% for 2017). The data available for these indicators – which on the whole show stability and progress towards the 2020 targets – are presented in Box 5.2 below.

Box 5.2 Pericles 2020 Performance Indicators

While data is not available on penalties imposed (the fourth performance indicator), the Pericles 2020 Working Programme Statements track the remaining three indicators, i.e. the number of (i) counterfeited

⁶⁵ Furthermore, in Turkey, Pericles 2020 has directly contributed to bringing the national directive on medals and tokens up to EU standards. Finally, in North Africa, Pericles 2020 is seeking to establish a coalition against the counterfeiting of the euro, with Morocco (namely *Banque Al Maghrib*) acting as "a hub of expertise" in the region. Efforts to date have, however, not yet lead to anything concrete seemingly because of the lack of willingness/commitment on part of some countries.

⁶⁶ The new cash operations regulation is divided into the following four main parts: (i) treatment and withdrawal of suspected counterfeit euro and other currencies from circulation; (ii) exchange of damaged euro banknotes and coins; (iii) minimal standards for fitness checking and recirculation of euro banknotes and coins; and (iv) packaging standards for depositing banknotes and coins.

⁶⁷ BIBE, Iberoamerica Report 2004 – 2016, presentation at 74th ECEG meeting, March 2017.

banknotes and coins detected in circulation, (ii) illegal workshops dismantled, (iii) and individuals arrested (or charged). As presented in Exhibits 5.7 and 5.8 below, each indicator is measured against a 2011 baseline and a 2020 target of 5%, as well as, in the case of illegal workshops dismantled and individuals arrested/charged a 2017 milestone of 3%. With regard to both detected counterfeit banknotes and coins, the 2020 target (which is the same as the 2017 milestone) is set to oscillate no more than 5% above or below the 2011 baseline of 606,000 banknotes and 157,000 coins. Following an increase in 2014 (as well as in 2015 for banknotes), the number of **detected counterfeits in 2016 is almost on target with regard to coins and not too far from the target for banknotes**. The number of **dismantled illegal workshops** in 2015 (data for 2016 not yet available) **is below both the 2017 milestone (and 2020 target) as well as the 2011 baseline** of 45. However, as further highlighted below, this is not necessarily an indication of less effective protection of the euro, i.e. as a repression indicator, it cannot measure possible preventive measures that might have led to illegal workshop not being set up in the first place. Finally, with regard to the number of **individuals arrested/charged**, the **2017 milestone as well as 2020 target have already been reached**.

Exhibit 5.7 Number of Counterfeits Detected in Circulation: 2014-2016

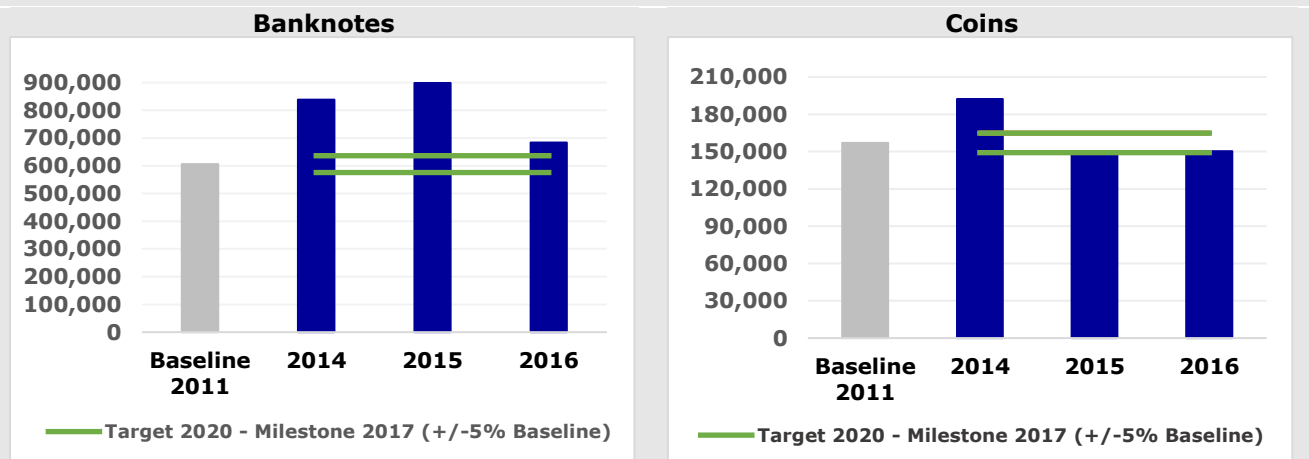
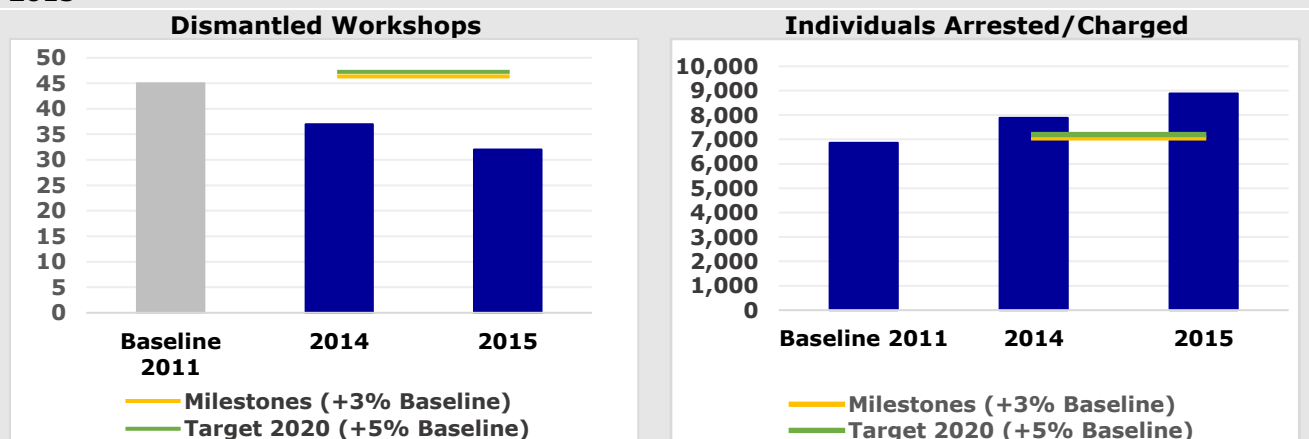


Exhibit 5.8 Number of Illegal Workshops Dismantled and Individuals Arrested/Charged: 2014-2015



Source: Pericles 2020 Working Programme Statements

Considerations on Performance Indicators. The primary challenge with the above mentioned performance indicators is that the **linkage with Pericles 2020 actions is weak**. More specifically, the connection between Pericles 2002 actions and the four indicators is feeble primarily because changes in indicators may be the result of a host of other factors concomitant with, but independent from, Pericles 2020 activities (e.g. changes in relevant legislation, changes in priorities following financial and human resources constraints, etc.). Furthermore, the indicators primarily measure the repression (and not the prevention) aspect of the phenomenon, while the Programme seeks to both prevent and combat the crime of euro counterfeiting. At the same time, as is the case with most capacity building activities, the effects of Pericles 2020

actions may well become manifest only in the long run.⁶⁸ Consequently, the majority of stakeholders interviewed during the course of the Assignment highlight the tenuousness of the causal relationship and are openly **sceptical regarding the possibility of measuring Programme performance based on the four indicators** ("Pericles can raise awareness and capacity, but cannot really influence such macro indicators"; "There must be some link, but very difficult to say to what extent; hard to find a specific relationship"). In addition, some stakeholders express doubts regarding the nature of indicators, the interpretation of which is far from clear cut ("Very hard to say and numbers and trends need to be put in context – in some cases an increase would be a positive sign, in other cases it would be a negative sign"; "Numbers can have a double sense"). I.e. a decrease in the dismantling of illegal workshops (an indicator measuring repression) does not necessarily mean that euro counterfeiting operations do not work effectively; the setting up of illegal workshops might simply have decreased as a result of more effective preventive measures (e.g. enhanced security features making it more difficult to counterfeit in the first place).

Furthermore, the problem is aggravated by the **ambiguity and/or unavailability of data**. For instance, data on illegal workshops dismantled are only of limited significance due to differences across MS in the definition of what constitutes an illegal workshop (with some countries applying a more 'strict' definition than others). In a similar vein, data regarding penalties imposed on counterfeiters is not available because of the lack of reporting mechanism, but also because judicial and court statistics are typically available only in an aggregate form. Even where data for individual cases might be available, counterfeiters are often sanctioned for other types of crimes (possession of illegal firearms, etc.) as well. It is hence not possible to determine the amount of the sanction that is specifically related to the crime of euro counterfeiting per se.

Given these two considerations, **assessing the precise influence of the Programme on the overall protection of the euro against counterfeiting, especially as measured by the four performance indicators, is very difficult**. In fact, most Implementers and Supported Authorities were not able to identify concrete examples of their participation in Pericles 2020 having led to tangibles results in the protection of the euro in their own country. Nevertheless, a couple of them do claim that Pericles 2020 has resulted in some concrete results in the prevention of and/or fight against the counterfeiting of the euro; namely with regard to operations in Latin America (notably Colombia and Peru); as presented in the subsequent paragraph. Finally, some of the surveyed participants also mention examples in which they claim a plausible link between Pericles 2020 actions and specific results can be established; as summarised in Box 5.3 below.⁶⁹

Box 5.3 Examples of Prevention and/or Repression Operations Actions

Argentina: Capture of two foreign individuals attempting to smuggle counterfeited euros and dollars and ensuing dismantling of the distribution network within the country.

Colombia: At least two operations, involving the dismantling of illegal printing shops in Bogota and Cali. The operation in Cali led to the capture of an individual trying to smuggle counterfeited euros into Spain.

Kosovo and Albania: Numerous instances of counterfeited euros detected by commercial banks' staff, with transmission of relevant information to law enforcement and monetary authorities.

Peru: Four operations between 2014 and 2016, leading to the seizure of counterfeited euros before their distribution and dismantling of illegal printing shops.

Serbia: One police operation, leading to the seizure of 400 counterfeited banknotes.

⁶⁸ In this regard, it is also difficult to differentiate between the results of Pericles 2020 and the previous Pericles Programme.

⁶⁹ Apart from these examples primarily in third countries, an Italian operation should also be mentioned. In 2014, following an extensive investigation initiated in 2012 and supported by both Europol and the previous Pericles Programme, Italian law enforcement authorities (and Implementers) dismantled two print shops and one depot, leading to the seizure of counterfeited 50 euro banknotes with a face value of EUR 78 million (the largest seizure of counterfeit euro banknotes to date) and the arrest of 53 individuals alleged to be part of a criminal network engaged in the global distribution of counterfeit money. Europol Review 2014: General Report on Europol Activities 2014.

Switzerland: One investigation on counterfeiting via the deep/dark web, carried out in collaboration with some EU MS.

Contribution to Euro Protection Operations - Latin America. Available evidence seems to suggest that Pericles 2020 (together with its predecessor) *"has been essential for the fight against euro counterfeiting"* in Latin America (most notably Colombia and Peru).⁷⁰ Support to NCO has been followed by the dissemination of information on best practices, the provision of practical training, and the strengthening of operational contacts with relevant authorities in MS, especially with Spain's BIBE. These capacity building activities have significantly contributed to enhance the effectiveness of preventive and repressive interventions. Indeed, Pericles supported BIBE actions in Latin America (primarily Colombia and Peru, but also Argentina and Chile) between 2004 and 2016 have provided training to some 1,000 individuals, including professionals actively involved in currency protection operations which have eventually led to the **dismantling of 59 illegal print shops** (plus 13 networks, 10 postal boxes, 13 final centres of distribution, and 13 hideaways and deposits in stores) as well as the **arrest of 254 individuals**. As a result, **counterfeited euro banknotes for a total face value of €41.1 million** have been seized (and hence prevented from entering into circulation), together with dollar banknotes worth US\$ 71.0 million (and GBP 35,000 in sterling banknotes) as well as considerable amounts of Colombian pesos (23.5 billion) and Peruvian soles (11.5 million).⁷¹ As a result of these efforts, in 2015, Europol pointed to a *"noted decline"* in the production of euro counterfeits in Latin America.⁷²

5.4.3 Contribution to Other EU Priorities

Counterfeiting is costly for societies. Beyond the pure financial loss represented by the facial value of counterfeits, the diminishing confidence in the currency may undermine the proper functioning of an economy, resulting in substantial economic and social costs. Indeed, the consequences of counterfeiting are potentially so pervasive that money counterfeiting has sometimes been used as a weapon during conflicts.⁷³

There are no studies on the economic and social costs of euro counterfeiting, but all indications are that such costs are presently minimal. Indeed, ECB and ETSC data show that the incidence of counterfeited euros is quite low: in 2016, the proportion of counterfeits detected in circulation was one for every 30,000 genuine banknotes (all denominations) and one for every 124,000 genuine coins (three highest denominations).⁷⁴ Possibly more important, the incidence of counterfeiting is significantly lower for the euro than for other leading currencies. In fact, at the end of the 2000s, the proportion of counterfeited dollars was estimated at about one for every 10,000 genuine banknotes in circulation⁷⁵ and a similar value was found in 2016

⁷⁰ A couple of Supported Institutions report a clear, direct contribution of Pericles 2020 (and its predecessor) in the implementation of a number of police operations, resulting in the dismantling of illegal shops, the successful seizure of important amounts of counterfeit euros, and the imprisonment of several smugglers, with important prison sentences. Other respondents offer a less sanguine view, and while acknowledging the contribution of Pericles 2020 funded training in improving the detection of counterfeited euros, they refrain from attributing success cases especially to the Programme (*"Sometimes it is closely related, but to claim that nothing would have been done without it is not correct"*).

⁷¹ BIBE, Iberoamerica Report 2004 – 2016, presentation at 74th ECEG meeting, March 2017.

⁷² Europol, Interim Serious and Organised Crime Threat Assessment (SOCTA) 2015: An update on serious and organised crime in the EU.

⁷³ The classic example is the mass scale counterfeit of confederate dollars during the American Civil War, which has implications also after the conflict. See Tarnoff B, *Moneymakers: The Wicked Lives and Surprising Adventures of Three Notorious Counterfeiters*, Penguin Press, 2011 and Johnson D, *Illegal Tender: Counterfeiting and the Secret Service in Nineteenth-Century America*, Smithsonian, 2000. The massive use of counterfeited sterling was also envisaged by the Nazis during World War II. See Ruffner K C, *On the Trail of Nazi Counterfeiters*, Studies in Intelligence, Central Intelligence Agency, 2002.

⁷⁴ Consultant's calculations based on ECB and ETSC data on the number of counterfeit banknotes and coins detected in circulation in 2016 and data on the number of banknotes (all denominations) and coins (2 euro coins, 1 euro coins, and 50 euro cent coins) in circulation as of the fourth quarter of 2016.

⁷⁵ See Judson R and R Porter, *Estimating the Volume of Counterfeit U.S. Currency in Circulation Worldwide: Data and Extrapolation*, Federal Reserve Bank of Chicago, Policy Discussion Paper, 1 March 2010

for the British sterling.⁷⁶ Taken together, this data clearly suggests that euro counterfeiting currently does not pose a significant threat to economic stability and, in particular, does not have any appreciable negative effect on 'higher EU goals', namely the competitiveness of the EU economy and the sustainability of public finances.

It is difficult to assess the contribution of Pericles 2020 in keeping the phenomenon of euro counterfeiting under control and, therefore, in achieving EU's higher goals. As already noted in the previous section, the causal link between the capacity building activities financed by the Programme and the results of euro protection activities is quite tenuous. If anything, this holds even more true regarding the possible influence of Pericles 2020 on 'macroeconomic' variables such as competitiveness and public finances. The stakeholders with whom the theme was discussed were usually unable to elaborate on the subject ("*I really don't know what to say*"). However, an interviewee articulated a sort of 'counterfactual argument', paralleling Programme efforts to a vaccine, whose positive results may not be immediately visible but nonetheless exist ("*You do not stop vaccinating to see what happens to the disease*"). In this sense, it can certainly be concluded that the **Programme did play a role in preserving the integrity of the euro and, hence, in achieving higher EU goals** ("*It's a brick in the wall*"). However, the relative importance of such a contribution compared with all other factors at play (i.e. the size of the 'brick') is impossible to measure with any degree of accuracy.

5.5 Prospects for Sustainability of Results [EQ#15]

5.5.1 Institutional Engagement and Job Stability

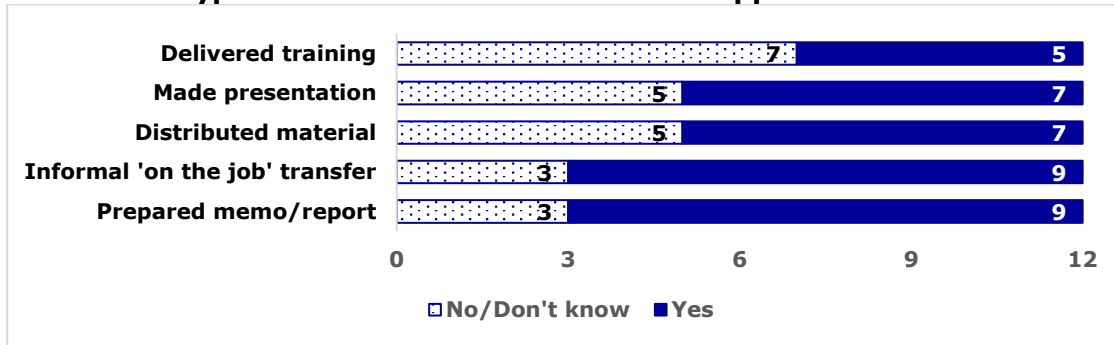
Since the participation in Pericles 2020 actions, the **involvement in euro protection activities has increased for three quarters of the Supported Authorities**, while engagement has remained broadly the same for the remaining quarter. No institution has hence seen a decline in its involvement. Furthermore, staff involved in Pericles 2020 actions are still working for the Supported Authorities 'to a large extent' in all but one entity (and in this case only some staff have left, with the majority still working for the institution). The **overwhelming majority of Pericles 2020 participants who took part in the web survey also still work for the same institution** with which they were affiliated at the time of the action. Only two respondents have changed jobs, but both are now working in similar institutions (one in the judiciary and the other in the police). Such a high degree of job stability is not surprising considering the nature of the institutions involved in Pericles 2020 actions and the short period of time elapsed since the participation in actions, but it is nonetheless a positive aspect as it is an indication of institutional stability in the sense that the contacts developed and/or the information/knowledge/skills gained remain (a precondition for continued utilisation of results). Even if the fate of other Pericles 2020 participants (i.e. those who did not participate in the web survey) is not known, the job stability of participants as well as the increased institutional involvement in euro protection activities favour sustainability and continuation of efforts.

5.5.2 Dissemination of Results

Dissemination – Supported Authorities. Benefits of participation in Pericles 2020 actions have been extensively disseminated. **All Supported Authorities have adopted measures to ensure the transfer of contacts developed and/or information, knowledge, and skills acquired** through the participation in Programme actions beyond those who personally attended the various events. Apart from informal sharing during regular operational activities, most interviewees mention the preparation of memos or reports on Programme events, while half report the distribution of materials received and/or the delivery of presentations at internal workshops (see Exhibit 5.9 below). Some entities have also held more formal training workshops. In the case of presentations and training workshops, the number of people involved vary greatly (from 6-10 and 40-80; in one case even as many as 400 since several events have been held per year for both the police and the judiciary across the country).

⁷⁶ Consultant's own calculations based on Bank of England data. See <http://www.bankofengland.co.uk/banknotes/Pages/about/counterfeits.aspx>.

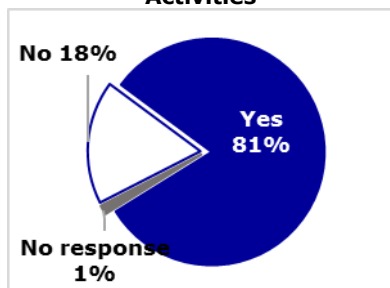
Exhibit 5.9 Type of Dissemination Activities – Supported Authorities



Dissemination – Participants. *The Pericles 2020 participants also report on a wide dissemination of the benefits of their participation*, with more than four fifths having engaged in some form of dissemination activity (see Exhibit 5.10 below). The distribution of materials received at Pericles 2020 events was the main form of dissemination, involving more than four fifths of respondents engaged in dissemination activities, followed by the preparation of memos or reports on the themes discussed, which were prepared by two thirds of respondents. The delivery of formal training workshops and the organisation of presentations are less common, but they nonetheless saw the involvement of a sizable share of participants involved in dissemination activities (around 30% for training workshops and some 45% for presentations). In addition, nearly four fifths of respondents declared having been involved in the 'informal' transfer of contacts, information, knowledges, and skills to their colleagues as part of their regular operational work.

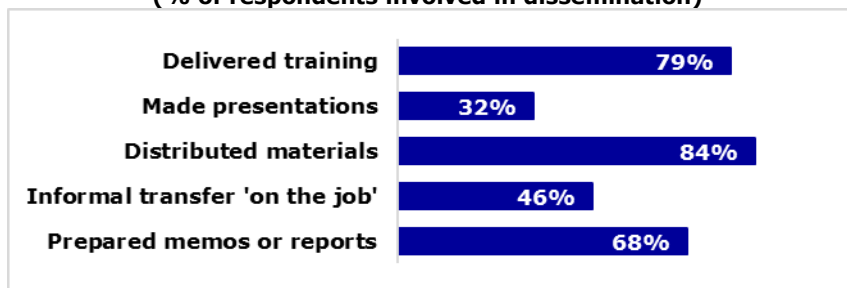
Exhibit 5.10 Extent and Nature of Dissemination Activities – Participants

Involvement in Dissemination Activities



n=227

Nature of Dissemination Activities (% of respondents involved in dissemination)



n=184

The number of people benefitting from training workshops and presentations carried out after Pericles 2020 events appears to be significant. In most cases, these types of dissemination activities involved between 5 and 20 staff, but there are also several cases of events attended by 30 to 50 people, sometimes from different institutions. In some cases, elements drawn from Pericles 2020 actions have been incorporated into standard training and/or sensitisation activities, which have a much wider audience.⁷⁷ The total number of persons benefitting from dissemination activities linked to Pericles 2020 initiatives, as reported by the participants, cannot be determined precisely, but it appears to be in the order of 200 to 400.⁷⁸

5.5.3 Obstacles to Sustainability

As mentioned above, Supported Authorities appear relatively stable and increasingly engaged in the protection of the euro from counterfeiting. They **can generally not point to any factors** - such as the scarcity of financial or human resources or the lack of institutional commitment - **that may limit the continued future utilisation of the contacts developed and/or the information/knowledge/skills acquired** through the participation in the Pericles 2020 action

⁷⁷ This is the case, typically, of activities carried out by bankers' associations, which reach several thousand bank staff.

⁷⁸ The figures provided by the respondents cannot simply be 'added up' because there are several cases of respondents from the same institution and the mere addition would probably result in some 'double counting'.

("Nothing limiting; in fact, we always got what we needed and did what we planned to do"). Only in one case a possible restructuring process regarding the functions of the judiciary involved in the fight against euro counterfeiting might have negative consequences in the future. Another interviewee pointed to the risk of participants forgetting what they learn and how to put it into practice and hence called for regular updates ("*refreshers would be desirable*"). On the whole, the **main threat to the sustainability of results achieved seems to be the loss of EU funding towards maintaining a proactive engagement in the protection of the euro against counterfeiting**. As further presented in Section 7.4 below, CNA are unlikely to implement similar transnational actions (benefitting also third countries) without financing from the Commission. The general lack of human resources dedicated to euro counterfeiting - as pointed out by almost all Former Implementers and Non Applicants as well as stressed by a couple of EU/international institutions - naturally limits the capacity of MS to implement actions with an engagement beyond their own borders.

6 EFFICIENCY

6.1 Introduction

The assessment of efficiency involved the investigation of four main themes, namely:

- the suitability of the **management, programming and coordination mechanisms** established for the implementation of the Programme;
- the appropriateness of the Programme's **administrative procedures**, focusing on the procedures used for CNA-implemented actions;
- The appropriateness of the **co-financing rate** required for CNA-implemented actions; and
- The **cost effectiveness** of Pericles 2020 actions and of the Programme as whole.

The first two themes are encompassed by EQ#8, while the remaining two are addressed, respectively, by EQ#9 and EQ#10.

The assessment of the management, planning and coordination mechanisms and of the co-financing rate relied primarily upon the information collected through interviews with CNA, including Implementers, Former Implementers and Non Applicants. The analysis of cost-effectiveness mostly relied on documentary sources, with the review of the Financial Reports of Pericles 2020 actions and of documents of other, similar EU programmes. The analysis of administrative procedures was based on both documentary sources and interviews.

6.2 Appropriateness of Management, Programming and Coordination Mechanisms [EQ#8]

Programme Management. As already mentioned in Section 2 above, in January 2015, the management of Pericles 2020 was transferred from OLAF, which had been responsible for the Pericles Programme since its inception, to DG ECFIN. **This institutional change did not have any negative influence on operational activities**, as the whole team of professionals involved in Programme management moved to DG ECFIN (*"nothing has changed, the people we work with are the same as before"*). If anything, some CNA have noticed **an improvement in the quality of the interaction with the financial support services**, which are now regarded as more responsive (*"The change from OLAF to ECFIN was a major improvement"*).

Programming Mechanisms. Pericles 2020 programming documents include: (i) the Pericles 2020 Strategy, spanning over three years, but revised on an annual basis (the 'Strategy'); and (iii) the Annual Work Programmes (AWP). Introduced following the recommendations of the Previous Evaluation, the Strategy provides an illustration and discussion of the Programme's priorities, backed by an analysis of latest developments in euro counterfeiting. The AWP are more operationally oriented documents, providing an indication of the activities to be carried out in a given year. In line with the straightforward nature of the Programme, both the Strategy and AWP are rather lean documents (about 10 pages the Strategy, 6-7 pages the AWP), but the **information provided is considered sufficient by CNA**, who can accordingly plan their activities under the Programme (*"we get all the information we need"*).

Coordination Mechanisms. The coordination of Programme activities with those of other players at the MS and EU level is achieved through bilateral contacts and, especially, via the ECEG meetings. **ECEG meetings are widely regarded as very useful**, as they allow stakeholders to contribute to the design of activities and to share information about the results achieved (*"The ECEG meetings are needed and useful to know what is going on – both on the Commission side and in other countries"*).⁷⁹ **ECEG is also a key channel for the dissemination of information on the Programme**, its role being particularly appreciated by the CNA that have not been recently involved in the implementation of Pericles 2020 actions, i.e. the Former Implementers and Non Applicants. **Some mild criticisms were voiced regarding organisational aspects**, in particular concerning the frequency of ECEG meetings

⁷⁹ For a more detailed discussion of ECEG's coordination role, see Section 7.

("2-3 meetings per year is too much, we can only attend once a year"; "Taking into account Europol meetings, there are four to six meetings per year ... a bit of overkill"), but this does not detract from an overall very positive assessment of the role played by ECEG.

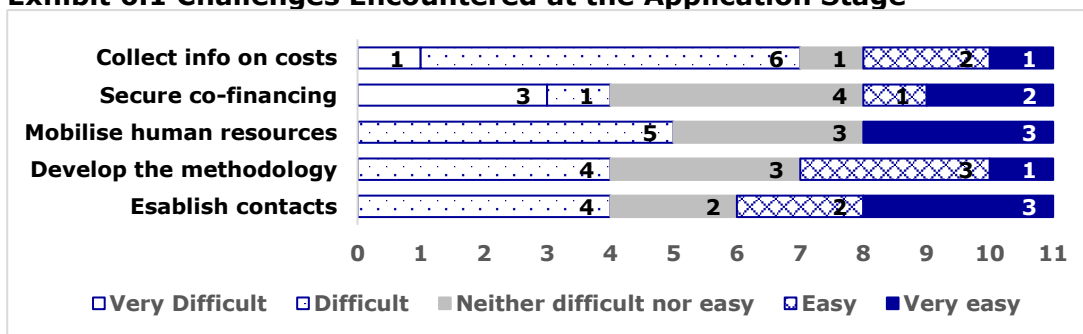
6.3 Appropriateness of Administrative Procedures [EQ#8]

The assessment of administrative procedures focused on three main aspects, namely: (i) the experience of the CNA involved in Pericles 2020 actions regarding current procedures, including the support offered by DG ECFIN; (ii) the opinion of the same CNA regarding some procedural changes introduced by Pericles 2020 and possible areas of further improvement; and (iii) the possible influence of administrative concerns on CNA's propensity to apply for the implementation of Pericles 2020 actions. These three aspects are addressed separately in the following three sub-sections.

6.3.1 Experience with Current Procedures

Challenges Faced at the Application Stage. During the application phase, **the most common challenge faced by Implementers was the collection of cost information** for the preparation of the budget, with two thirds of CNA ranking this aspect as either 'difficult' or 'very difficult'. The mobilisation of the human resources required to prepare the application is also considered to have been 'difficult' for around half of the Implementers. The majority of CNA did not encounter problems in mobilising co-financing funds, but the securing of complementary funding nonetheless proved to be 'very difficult' for three Implementers. The establishment of contacts with prospective participants and the development of a work plan/methodology emerge as the least problematic aspects, with two thirds of CNA providing a positive or neutral assessment and none regarding them as 'very difficult'.

Exhibit 6.1 Challenges Encountered at the Application Stage



Costs Incurred in the Preparation of Proposals. **Some Implementers complained about the time spent on preparing applications**, which was deemed to be too high ("It was a lot of work, over a period of two months"). However, these complaints do not seem to be fully justified. Indeed, the average time spent by Implementers in the preparation of proposals can be estimated at 8.4 staff/days. Furthermore, when staff inputs are translated into monetary values, the staff costs for the preparation of proposals appear to be quite low, accounting for just 1.6% of the total budget of the actions financed by the Programme. Details on calculations are provided in Box 6.1 below. No information on application costs for other grant programmes managed by the Commission could be retrieved but, in general, the level of effort required for proposal preparation does not seem unreasonable.⁸⁰ Overall, available evidence suggests that **application costs do not constitute an appreciable hindrance for Implementers.**

Box 6.1 Time and Cost for the Preparation of Applications

Time Required for Preparing Proposals. Information on the (estimated) time spent in preparing proposals for the Pericles 2020 programme was provided by seven Implementers, responsible for the implementation of nine actions (i.e. nearly half of all CNA-implemented actions). Estimates vary considerably, ranging from a maximum of 14 staff/days to just 2-3 staff/days, with an **average of 8.4 staff/days** (weighted average). In general, the level of effort required appears to be strongly influenced

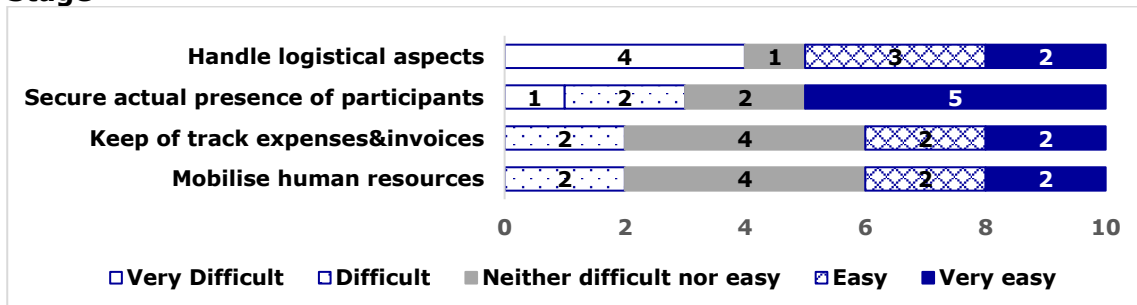
⁸⁰ It may be worth noting that the time required for the preparation of an offer for a typical consulting assignment worth around € 150 – 200,000 is usually in the order of 15 staff/days, sometimes reaching the level of 25 staff/days.

by the degree of familiarity with administrative procedures and, to some extent by the nature of the actions to be implemented. Indeed, all the 'new' Implementers (as well as some CNA preparing proposals for large events or complex studies) declared an input of 10 staff/days or more, whereas 2-4 days would suffice in the case of more seasoned Implementers (irrespective of the type of actions).

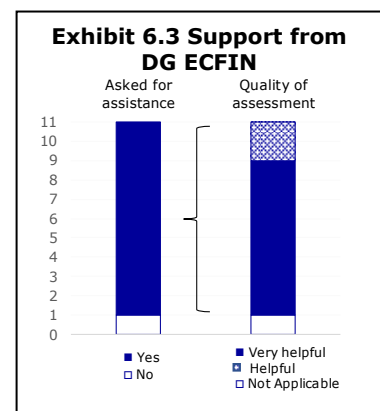
Staff Costs for Proposal Preparation. The staff costs for preparing proposals were computed by multiplying the level of effort indicated above by the average daily staff costs indicated in the Action Documents. The values were then compared with the average budget of the actions implemented. As financial data are not available in two cases, this exercise concerned five implementers, responsible for the implementation of seven actions. The incidence of staff costs for proposal preparation usually ranges between 0.6% and 2.4%, with only one case reaching the level of 7.1%. This is in the case of a very small Pericles 2020 action, worth less than € 10,000 and for which the staff time, although being limited in absolute terms (2-3 days), obviously has a comparatively greater incidence. Overall, the **average is 1.6%** (weighted average).

Challenges Faced at the Implementation/Post Implementation Stage. *The problems encountered during implementation/post implementation are relatively mild*, with the majority of Implementers providing a positive or neutral assessment. The handling of logistical aspects (travel, accommodation, etc.) is comparatively more problematic, with two fifths of CNA considering this task as 'very difficult'. Keeping track of expenses and invoices and mobilising the human resources needed to prepare the Technical Reports are regarded as 'difficult' by only a couple of Implementers. Opinions are more diverse with regard to securing the actual presence of participants, with half considering this task 'very easy' and one third as 'difficult' or 'very difficult'. In general, problematic situations are mentioned by CNA implementing large events (especially if held in third countries) and research oriented initiatives (the development of which cannot be precisely anticipated and, therefore, may cause problems at the time of preparing the Financial Report).

Exhibit 6.2 Challenges Encountered at the Implementation/Post Implementation Stage

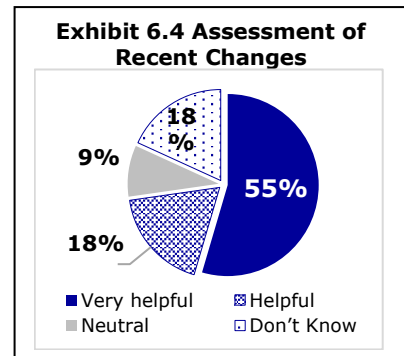


Support from DG ECFIN. Almost all Implementers have asked DG ECFIN for clarifications before the application stage and/or for advice and assistance during the course of implementation (and post implementation). All the CNA seeking assistance are **quite appreciative of the support received from Commission staff**, whose assistance is often praised in very warm words ("We had timely answers and assistance", "They were at any time very helpful and provided quickly answers and support", "They were always responding quickly and addressing our queries"). In the case of a CNA applying for the first time, there were some initial communication problems, but the matter was eventually satisfactorily solved ("Technicians and Commission staff approach things differently, but in the end we reached a good mutual understanding").



6.3.2 Attitude towards Changes in Administrative Procedures

Changes Compared with the Previous Pericles Programme. As mentioned in Section 2, Pericles 2020's administrative procedures include *some innovations compared to those applicable under the previous Pericles Programme*, namely: (i) the inclusion of VAT among eligible costs;⁸¹ (ii) the simplification of eligible costs (notably, in relation to the costs for local transportation and the rental of venues); as well as (iii) the possibility of obtaining a higher grant (as a percentage of total costs). *These changes are definitely appreciated by Implementers*, with the vast majority considering them 'very helpful' or 'helpful'. The eligibility of VAT and the higher share of grants are the innovations most frequently mentioned by the Implementers, although regarding the latter the situation is still not regarded as ideal (see below).



Suggestions for Possible Changes in Procedures. Several Implementers put forward suggestions for an improvement in existing administrative procedures. The most common proposals concern: (i) a simplification of the documentation to be submitted; (ii) the introduction of more flexibility in the use of resources; (iii) the increase in the frequency of the CfP; and (iv) the increase in the per diem rates applicable to Pericles 2020 actions. However, subsequent analysis suggests that the majority of these proposals are not well grounded and/or their implementation is not feasible in the current situation. Such analysis is presented in Box 6.2 below. Overall, *available evidence suggests that only the adjustment in per diem rates appears to be justified*.

Box 6.2 Analysis of Proposals for Possible Changes in Administrative Procedures

Simplification of Procedures and Documentation. A review of Pericles 2020's administrative procedures did not reveal any unusual requirement in terms of nature and/or number of documents to be submitted, either at the application stage or upon completion. Indeed, Pericles 2020's requirements are aligned with those of other grant programmes managed by the Commission and targeted at similar institutions, such as the Internal Security Fund (managed by DG HOME) and the Justice Programme (managed by DG JUST). This extends also to the requirement of submitting proof of staff costs, which was mentioned as a hindrance by a couple of interviewees (*"why do they ask for this? We are also a public entity, they should trust us"*). Indeed, similar proof is required under the Justice Programme and may be required in the case of the Internal Security Fund. Overall, Pericles 2020's requirements, like those of similar programmes, largely reflect the provisions of the Financial Regulation, and this drastically reduces the scope for possible simplification.

More Flexibility in the Use of Resources. More flexibility in the use of resources, with the possibility of re-allocating funds between budget items, was advocated by some Implementers on the basis that it would help in addressing the issue of price fluctuations and in accommodating unexpected changes in costs (which may well occur, especially in research activities). In principle, the proposal has certainly some merit, but it is no longer relevant. Indeed, until 2014 the reallocation of funds between budget items was capped at 15%. However, starting in 2015, this limitation has been removed and, therefore, there are no longer obstacles to duly justified modifications in the composition of the budget.

Increase the Frequency of CfP. An increase in the frequency of CfP was advocated by a couple of Implementers on the basis that the two CfP per year currently envisaged "may not allow for a fast response if something unexpected happens". However, considering the number of applications received every year by the Programme, the mere eventuality that 'something may happen' is not per se a sufficient justification for envisaging additional CfP. Moreover, and most importantly, given the limited resources available for Programme management, an increase in the frequency of CfP is scarcely feasible.

Increase in Per Diem Rates. Some interviewees noted that the per diem rates used for Pericles 2020 actions are quite old, dating back to 2002, and are no longer aligned with prevailing price levels, especially in some New MS. These interviewees were seemingly not aware that a new set of per diem rates was

⁸¹ VAT may be eligible in specific cases as per the financial guidelines for applicants attached to the CfP (https://ec.europa.eu/info/sites/info/files/8_pericles_guidelines_application_2017.pdf).

approved in July 2016. However, considering that even the new rates are sometimes on the low side, some further adjustment appears to be justified.

Attitude Towards Other Possible Changes. During interviews, the Consultant also explored the Implementers' attitudes towards two other possible innovations, namely (i) the introduction of fixed rates for travel and accommodation costs; and (ii) the submission of applications and other documents online. The **opportunity of submitting applications and other documentation online would be welcomed by all**, as it was deemed that it could speed up the process (as well as, marginally reduce costs by eliminating post office and/or courier costs). Instead, **views are not unanimous regarding the use of fixed rates**. While the majority considers that the use of fixed rates (*"provided that they are set at realistic levels"*) would simplify the bureaucracy, a couple of CNA did not agree with this possibility as costs are often hard to estimate (*"Better to be reimbursed for what you actually spend"*).

6.3.3 Influence of Administrative Concerns on Applications

The Previous Evaluation of the Pericles Programme found that administrative concerns played only a minor role in explaining the reluctance of many CNA in applying for the implementation of actions. Indeed, only two of the 15 CNA interviewed motivated their decision not to apply with 'procedural' considerations (lack of clarity in procedures, complexity of proposals and reporting requirement). The results of the interviews with CNA carried out for this Evaluation definitely suggest that this situation has not changed.

When asked about the reasons for not applying under Pericles 2020, the overwhelming majority of Former Implementers and Non Applicants focused on two factors, namely: (i) the **scarcity of human resources** available for the preparation and implementation of an action (*"I'm the only one at HQ, it would be difficult for me to do my work and run an action"*; *"We are only two and can't organise an action"*), indicated by three quarters of interviewees as the first (half) or second (one quarter) most important reason for not applying; and (ii) **euro counterfeiting not being regarded as a pressing problem or a priority** (*"Not the main threat"*; *"Simply not a priority right now"*), indicated by about half of the CNA as the primary (one third) and the secondary (one tenth) cause. Obviously, these two factors are interlinked, i.e. if euro counterfeiting is not considered a pressing problem or a priority, resources are dedicated to other more urgent and prioritised crimes such as terrorism, drugs, arms, illegal immigration, forgery of ID cards, etc. (*"We need to be picky with what we use our human resources for and since euro counterfeiting is not a priority, our resources are dedicated to other tasks"*).

Exhibit 6.5 Reasons for Not Applying Under Pericles 2020



NB Five CNA out of the 22 interviewed declined to indicate the second most important reason for not applying.

Other motivations offered for not applying are much less important, and include: (i) the access to other national or EU initiatives that adequately cover existing needs (*"We participate in Europol initiatives, it's enough"*; *"Staff participate in trainings organised by ECB and other central banks"*), mentioned by one third of CNA; and (ii) the difficulty of securing the co-financing required under Pericles 2020 (*"Due to the difficult budgetary situation we can't co-finance experts"*; *"Financial resources are a daily problem"*), indicated as a primary or secondary motivation by three CNA.

Concerns over administrative procedures do not appreciably influence CNA's propensity to apply under the Programme. A few interviewees voiced some concerns regarding the complexity of the application process and/or reporting obligations ("*But we understand that this must be done*") or costs possibly not being recognised as eligible and, therefore, not reimbursed. However, only in one single case 'procedural' considerations were a key factor in motivating the decision not to apply. Furthermore, it is important to note that for none of the Former Implementers was the decision to not apply under Pericles 2020 explained by a 'negative' experience under the previous Pericles Programme (i.e. the implementation of past actions has not influenced their non-application under Pericles 2020).

6.4 Appropriateness of Co-financing Rate [EQ#9]

Earlier assessments of the previous Pericles Programme found the mobilisation of co-financing to be a significant obstacle for the active participation of CNA and this led to an increase in the maximum EU contribution up to 90% in duly substantiated cases. The appropriateness of the EU contribution rates currently used by Pericles 2020 can be assessed based on three elements, namely: (i) the actual behaviour of and concerns voiced by the CNA presently participating in the programme; (ii) the attitude displayed by Former Implementers and Non Applicants; and (iii) an assessment of the compatibility of different (i.e. higher) EU contribution rates with the financial envelope of the Programme.

Behaviour and Attitudes of Implementers. Out of the 19 CNA-implemented Pericles actions committed over the period under review, only three benefitted from the top contribution rate of 90%, 14 received a contribution between 70% and 75%, and two got a contribution of about 50%. In practice, the CNA-implemented actions were carried out on the basis of an average EU contribution of 76% (weighted average), very close to the standard rate. As indicated above, the majority of Implementers (including, notably, the most active ones) do not consider the mobilisation of co-financing as a serious issue. Unsurprisingly, there were Implementers suggesting increasing the contribution rate (in particular, by expanding the range of situations in which the 90% rate could be applied), but only three CNA (of which two from 'recent' MS) voiced serious difficulties in fulfilling current co-financing requirements. This suggests that, on the whole, ***the current pool of active CNA seems to be able to continue their participation without major modifications in contribution rates.***

Attitudes of Non-Active CNA. As already mentioned above, only few Former Implementers and Non Applicants mentioned the issue of co-financing as a significant obstacle to an active participation in the Programme. In addition, concerns about the ability to complement the EU financing are associated with other obstacles, namely the scarcity of human resources for the preparation of the application and, especially, for the management of the actions. This clearly suggests that ***an increase in EU contribution rates, while certainly not unwelcomed, would not be able per se to tilt the balance in favour of a greater participation.***

Implications of Higher Contribution Rates. The compatibility of higher contribution rates with available financial resources can be assessed through a simple simulation exercise. The 19 CNA-implemented actions committed during the period under review had a total budget of about € 2 million and were supported by an EU contribution of little more than € 1.5 million, with an average 'grant element' of about 76%. Keeping the total budget of actions constant, an increase of the 'grant element' to the maximum permissible level 90% would require an EU contribution of nearly € 1.8 million, with an increase of some € 275,000. As the resources available to Pericles 2020 are fixed, the increased EU contribution would have to be recouped through a reduction in the volume of actions directly implemented by DG ECFIN. Considering that the average budget of the DG ECFIN actions was about € 95,000, in practice the raising of the EU contribution to 90% would entail the elimination of three 'direct' actions, which over the period covered by this Evaluation, would have meant a decline from eight to only five. While the increase of the grant element to the maximum permissible level is admittedly an extreme case (and, most likely, not possible under the current legal base), the example nonetheless clearly illustrates the ***trade-off existing between changes in the grant level aimed at encouraging a greater and/or a***

more diversified participation from CNA and the overall volume of activities under the Programme.

Summing-up. Overall, the above considerations suggest that the current level of co-financing can be regarded as broadly appropriate. An increase in the EU contribution is unlikely to affect the behaviour of the pool of more active CNA (which historically have 'accepted' to operate with the current rates) and in all likelihood would only marginally influence the propensity of non-active CNA to participate in the Programme.

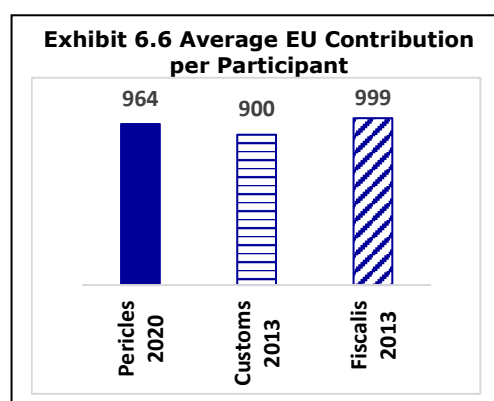
6.5 Cost-effectiveness [EQ#10]

6.5.1 Cost-Effectiveness of Programme Actions

CNA Personnel Costs. Cost-effectiveness considerations figure prominently among the criteria used by DG ECFIN in reviewing the applications submitted by CNA, with special attention being paid to staff costs. Information retrieved from relevant Action Documents (grant applications and/or Financial Reports) shows that the daily cost for senior staff charged by Implementers is typically in the € 300 to € 400 range, while the daily cost for other staff rarely exceeds € 300. **These personnel costs must be regarded as quite reasonable, being well below typical consultant fees,** which commonly range between € 800 to € 1,000 for senior level input. In this respect, the insistence on part of DG ECFIN to reduce the involvement of consultants appears to be fully justified. Only one CNA departed from this pattern by proposing staff costs that were significantly higher than the above mentioned range, with the most senior staff being priced up to € 1,500/day. And, indeed, cost effectiveness considerations were among the main reasons for the rejection of the applications submitted by this entity.

Average Cost and EU Contribution per Participant. The average cost per person participating in Pericles 2020 actions varies considerably, depending upon the nature and, especially, the location of actions. Predictably, the highest values are found in the case of actions implemented in distant third country locations (namely, Latin American countries), with average costs well in excess of € 1,500 per participant. Instead, initiatives involving nearby countries (e.g. staff exchanges with South Eastern European countries) required fewer resources, with average costs usually well below € 1,000 per participant. Overall, considering a group of 11 CNA-implemented actions for which detailed information on both costs and participation is available, **the average cost per participant was € 1,221, with an average EU contribution of € 964 per participant.**

It is important to note that **Pericles 2020's average EU contribution is in line with the corresponding values of other EU-funded programmes** providing support to national public administrations and having similar operational modalities, such as the Fiscalis 2013 and Customs 2013 programmes. Indeed, Pericles 2020 average EU contribution of € 964/person is slightly lower than the € 999/person contribution experienced by Fiscalis 2013 and only somewhat higher than the € 900/person recorded in the case of Customs 2013.⁸² The comparison is even more favourable for Pericles 2020 if one considers that even the most expensive activities carried under the two other programmes, i.e. Fiscalis 2013's multilateral control operations and Customs 2013's working visits and seminars, are usually less complex than Pericles 2020 actions and do not involve intercontinental travel. Overall, **these findings suggest that Programme operations display a good degree of cost effectiveness.**



⁸² Cost data for Customs 2013 and Fiscalis 2013 were retrieved from, respectively, Coffey International, Final Evaluation of the Customs 2013 Programme, 2014 and Ramboll, Final Evaluation of the Fiscalis 2013 Programme, 2014.

6.5.2 Cost Effectiveness at Programme Level

Incidence of Overheads. According to DG ECFIN Annual Report,⁸³ in 2015 the management of Pericles 2020 required a total of 1.9 Full Time Equivalent (FTE) staff. Considering a cost of about € 138,000/FTE, total overhead costs were about € 262,000. In the same year, Programme commitments were about € 968,000, which implies an incidence of overheads of about 27%. Comparable data for other EU programmes are not available at the time of writing,⁸⁴ but **there is little doubt that the incidence of overhead costs is on the high side**. This is obviously linked to the small size of the Programme combined with the need to fully comply with all the procedures and controls that are required for any EU-funded programme, irrespective of its size.

The high incidence of overheads obviously raises **the issue of the justification of the Pericles 2020 as a separate independent programme**. This issue was investigated by the Impact Assessment, which considered the option of combining the Programme with other initiatives⁸⁵, in order to achieve economies of scale. However, the option was not retained because of the highly specific nature of the Programme. Indeed, the Impact Assessment noted that "*[m]oney counterfeiting is such a specific kind of crime that Member States established highly specialised offices to fight it*" and therefore, the merger "*with Programmes in other DGs would definitely result in [operational] efficiency losses*". All the evidence available suggests that the situation has not changed and, if anything, euro protection has become an even more specialised area of activity because of the growing international dimension and more diversified nature of the threat (distribution of counterfeits via internet, procurement of counterfeit precursors from distant locations, etc.). Overall, these considerations suggest that the elimination of Pericles 2020 as a standalone programme would entail a loss in specificity and the dispersion of a considerable capital of knowledge, with **a likely decline in the effectiveness of euro protection actions that might well more than offset the financial savings**.

⁸³ DG ECFIN, Annual Activity Report 2015, 21 March 2016.

⁸⁴ Information on overhead costs of other capacity building initiatives has been requested from Commission officials with DG JUST (Justice Programme) and DG NEAR (ISF Police), but has not been received in time for inclusion in this Report. In case, this information will be included in the final version of this Report.

⁸⁵ The Impact Assessment considered the combination with the 'Prevention and fight against crime' programme (later replaced by the Internal Security Fund) and/or with TAIEX. The possibility of combining the Programme with the Hercules Programme (promoting activities for the protection of EU's financial interests) was also preliminarily considered, but discarded because of differences in the legal bases in the Treaty for the euro and for the protection of the Budget.

Overall, MS activities, apart from having an obvious domestic focus, mostly consist of relatively basic activities, quite distant from Pericles 2020's themes and operating modalities. Therefore, **the Programme can be regarded as fully complementary with national initiatives.**

7.3 Complementarity with Other EU/International Euro Protection Initiatives [EQ#13, EQ#14]

7.3.1 EU/International Initiatives

Although the Pericles 2020 Programme is the only comprehensive initiative exclusively dedicated to preventing and combatting euro counterfeiting as a specific crime, there are several other relevant programmes and initiatives supported by the Commission as well as other institutions at the wider EU and international levels that seek to protect the euro against counterfeiting and related fraud. A summary overview of these entities and programmes/initiatives is included in Annex G, while some key complementary efforts are highlighted in the paragraphs below.

Capacity Building. On part of the Commission, DG HOME's **Police instrument of the Internal Security Fund (ISF Police)** covers the prevention of and fight against crime in general. However, the National Programmes and Union Actions supported by ISF Police would only include (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).⁹¹ More important is DG NEAR's **Technical Assistance and Information Exchange (TAIEX)** instrument. Between 2014 and to date, TAIEX has supported a total of nine activities - benefitting four countries - directly related to euro counterfeiting (see Box 7.1 below). These activities are of a different scale, duration and nature compared to Pericles 2020 actions (e.g. in support of accession negotiations) and, since TAIEX is a demand driven instrument "seeking to fill the gaps", there appear to be synergies rather than overlapping between the two initiatives.⁹² DG NEAR also manages the **Twinning** instrument, but while a number of Twinning projects have included central banks and other relevant institutions, the only project related to counterfeiting dates back to 2008 (namely German support for the development of an effective system for the fight against the counterfeiting of banknotes and coins in Croatia).

Box 7.1 TAIEX Activities Related to Euro Counterfeiting: 2014-2017

Albania

- 2016 study visit to Italy (three participants) on the alignment with ECB's Counterfeit Monitoring System (CMS).

Bosnia and Herzegovina

- 2015 workshop (34 participants) on the fight against money counterfeiting; and
- 2017 study visit to Austria (three participants) on the suppression of money counterfeiting.

Israel

- 2016 study visit to the Netherlands (five participants) on challenges and cross-border solutions for financial investigations (including those related to counterfeit money).

Serbia

- 2014 study visit to Slovenia (three participants) on the protection of the euro against counterfeiting;
- 2015 study visit to Italy (three participants) on the fight against the counterfeiting of the euro;
- 2015 expert mission (eight participants) on the fight against the counterfeiting of the euro;
- 2015 workshop (15 participants) on euro counterfeiting investigations; and
- 2016 study visit to Austria (three participants) on the establishment of an NCO.

⁹¹ However, in 2014, the ISF Police AWP included a € 7 million delegation agreement with Europol for the implementation of the European Multidisciplinary Platform against Criminal Threats (EMPACT), including euro counterfeiting. Furthermore, a 2014 CfP targeted economic and financial crime (as well as corruption and environmental crime), but did not specifically include actions related to the protection of the euro against counterfeiting.

⁹² In addition, there was often coordination between Pericles 2020 and TAIEX in the form of prior consultation on measures proposed by MS and common definition of agenda and identification of trainers.

Analytical and Technical Support. The **European Technical and Scientific Centre (ETSC)**, with DG ECFIN, analyses counterfeit euro coins and coordinates analysis and information work at the national level. In this capacity, ETSC is often engaged in the provision of specialised technical training on coin analysis at various Pericles 2020 actions as well as, upon request, to individual MS. In fact, ETSC's Pericles 2020 interventions sometimes trigger specific demands for follow-up technical assistance on part of CNAC. Beyond the Commission, **ECB** is responsible for the corresponding technical assistance regarding euro banknotes. ECB also manages the Counterfeit Monitoring System (CMS), which includes all data on seized and detected counterfeit euro banknotes and coins as reported by the NAC and CNAC (and, with regard to coins, as monitored by ETSC). Another complementary security initiative at the international level is the Counterfeit Deterrence System (CDS) of the **Central Bank Counterfeit Deterrence Group (CBCDG)**; a technology that prevents the digital printing of counterfeit banknotes (numerous currencies).

Operational Assistance. There are also a few EU/international entities that provide operational support to law enforcement authorities. At the EU level, **Europol** primarily provides operational and tactical assistance (but also training)⁹³ upon request of individual MS. For example, in 2014, following an extensive investigation initiated in 2012 and supported by Europol, Italian law enforcement authorities dismantled two print shops and one depot, leading to the seizure of counterfeited 50 euro banknotes with a face value of € 78 million (the largest seizure of counterfeit euro banknotes to date) and the arrest of 53 individuals alleged to be part of a criminal network engaged in the global distribution of counterfeit money.⁹⁴ Similarly, a 2012-2013 joint Europol operation together with authorities in Austria, Serbia, and Slovenia discovered a criminal network with an Austrian production base of counterfeit euro banknotes (and Serbian dinar) and distribution in 12 European countries. The operation led to the arrest of 13 people and the seizure and detection of counterfeits of various denominations with a total face value of 1 million (and 12 million Serbian dinar).⁹⁵ Beyond the EU, Europol in cooperation with Spanish law enforcement entities and the US Secret Service assisted the national police force in Colombia in taking down an illegal digital print shop and arresting six individuals in 2014.⁹⁶ At the international level, **Interpol** is also involved in the provision of operational assistance and more technical forensic support as well as in the sharing of counterfeit data (albeit not focusing only on the euro, but rather on currencies in general).

Finally, **Eurojust** also provides operational assistance at the EU level. Between 2014 and 2016 (first three quarters), Eurojust managed a total of 97 cases specifically related to the counterfeiting of money and means of payment (representing about 2% of all Eurojust cases). These cases primarily include requests for assistance with coordinating and collecting evidence, but also some Joint Investigation Teams (JIT). For example, a JIT involving Bulgarian and Spanish law enforcement led to the capture of more than 500,000 forged banknotes and 22 arrests (17 in Bulgaria and five in Spain).⁹⁷ Eurojust has also acted as an important liaison with prosecutors in connection with a couple of Pericles 2020 actions as well as provided input into euro counterfeiting regulation (namely the drafting of the 2014 Directive on the protection of the euro and other currencies against counterfeiting by criminal law).

Awareness of and Participation in Other EU/International Initiatives. As presented in Exhibit 7.1 below, the **level of participation in (and awareness of) other EU and international capacity building and operational initiatives seeking to protect the euro vary**. All but one of the Implementers and seven of the Supported Authorities have participated in at least one or two other relevant EU/international capacity building and/or operational initiative. In particular, a good number of respondents (both law enforcement and monetary authorities) have participated in ECB initiatives. Just above half the Implementers and one third

⁹³ For example, in 2012, Europol delivered bitmap training to a total of around 80 police officers in Romania. Europol has also provided bitmap training within the framework of Pericles 2020 actions.

⁹⁴ Europol Review 2014: General Report on Europol Activities 2014.

⁹⁵ Europol Review 2013: General Report on Europol Activities 2013.

⁹⁶ Europol Review 2014: General Report on Europol Activities 2014.

⁹⁷ Eurojust presentation, 12th Euro South-East Conference (Pericles 2020), Zagreb, Croatia, October 2016. Bulgaria has participated in another two euro counterfeiting related JIT with Spain as well as in one with Germany and one with Romania.

of the Supported Authorities have also participated in Europol actions supporting the protection of the euro. Most Implementers (including central banks) are aware of Eurojust initiatives, which is also partly thanks to the Programme since Eurojust (just like ECB and Europol) is commonly invited to present its activities at Pericles 2020 actions. However, only one implementing and one supported law enforcement authority have participated in a JIT related to the fight against euro counterfeiting. Furthermore, among the Supported Authorities, three have received TAIEX assistance, while two participated in Interpol initiatives. A couple of the Supported Authorities have also benefitted from other capacity building initiatives. For example, as mentioned above, the Albanian central bank has received support to build its counterfeit analysis capacity from the German *Bundesbank's* TCBC Centre, while the Bulgarian central bank has participated in high security printing and banknote conferences.

Exhibit 7.1 Awareness of and Participation in Other EU/International Euro Protection Initiatives

	Awareness	Participation
Other EC initiatives in EU MS (e.g. ISF Police)	■ ■ ■ ■ □ □ □ □ □ □ □ □	■ ■ □ □ □ □ □ □ □ □ □ □
Other EC initiatives in third countries (e.g. TAIEX)	■ ■ ■ ■ ■ ■ □ □ □ □ □ □	■ ■ □ □ □ □ □ □ □ □ □ □ ● ● ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
ECB initiatives	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ □ □	■ ■ ■ ■ ■ ■ ■ ■ □ □ □ □ ● ● ● ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Europol initiatives	■ ■ ■ ■ ■ ■ ■ ■ □ □	■ ■ ■ ■ ■ □ □ □ □ □ □ □ ● ● ● ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Eurojust initiatives (e.g. JIT)	■ ■ ■ ■ ■ ■ □ □ □ □ □ □	■ □ □ □ □ □ □ □ □ □ □ □ ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Interpol initiatives	■ ■ ■ ■ ■ □ □ □ □ □ □ □	■ □ □ □ □ □ □ □ □ □ □ □ ● ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Other capacity building or operational initiatives	■ ■ ■ □ □ □ □ □ □ □ □ □	■ □ □ □ □ □ □ □ □ □ □ □ ● ● ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○

■ Implementers aware
 □ Implementers not aware / do not know
 n=11

● Supported Authorities participated
 ○ Supported Authorities not participated / do not know
 n=12

Assessment of Complementarity. Both the Implementers and the Supported Authorities that have participated in other EU/international capacity building and/or operational initiatives (as well as national initiatives for the Implementers) are almost unanimously **very positive in their overall assessment of the complementarity of the Pericles 2020 Programme** (“with Pericles focusing on the technical and administrative capacity of our structure”).⁹⁸ The respondents could not point to any specific cases of actual overlapping (“even if the margins of overlap are many”). In general, the Programme is perceived to “fill the holes” regarding the needs for support (such as the deep/dark web). Furthermore, for the five Supported Authorities in four countries (namely Armenia, Georgia, Morocco, and Tunisia) that have not benefitted from other relevant capacity building or operational activities, the Programme has clearly also “filled a void (“Only programme available”). Finally, the complementarity of the Programme is also confirmed by the EU/international institutional stakeholders interviewed during the course of the Assignment.

7.3.2 Role of ECEG Mechanism and Other Coordination and Cooperation Efforts

ECEG Mechanism. As required by Article 13.1 & 13.2 of Regulation 331, the Commission shall engage in “regular consultations” with “other competent entities” towards ensuring “consistency and complementarity between the Programme and other relevant programmes and actions at Union level”.⁹⁹ To this end, the Commission relies on the Euro Counterfeiting Experts Group (ECEG);¹⁰⁰ a group of national counterfeit experts from CNA of all 28 MS as well as

⁹⁸ Only one of the Implementers assessed the complementarity as ‘positive’ rather than ‘very positive’.
⁹⁹ Synergies and complementarity are consequently also spelled out in the AWP as well as highlighted as part of the award criteria for the Pericles 2020 grants.
¹⁰⁰ Following the transfer of the protection of the euro from counterfeiting from OLAF to DG ECFIN, the legal basis of ECEG was redefined by the Commission Decision of 12 February 2016 setting up the Euro Counterfeiting Experts Group (2016/C 58/06).

representatives from DG ECFIN, ETSC, ECB, and Europol (plus Interpol, invited to attend as an observer). More specifically, ECEG's **tasks** include:¹⁰¹

- Ensuring cooperation among its member entities towards effectively and consistently safeguarding the protection of the euro;
- Sharing information and establishing good practices on preventing and combatting euro counterfeiting;
- Providing advice to DG ECFIN on the strategic orientation of and planning for the Pericles 2020 Programme; and
- Assisting the Commission in the preparation of legislative proposals, delegated acts, and policy initiatives concerning the general protection of the euro against counterfeiting.

It should be noted that ECEG is not a decision making forum, but acts only as a coordinating and advisory platform (even if, according to one interviewee, *"it's usually DG ECFIN informing with zero input from the group; it's usually not there that they coordinate among themselves"*). Nevertheless, most consulted CNA consider ECEG as a **useful mechanism to discuss other initiatives, seek synergies, and avoid overlapping**. Particularly for the Former Implementers and Non Applicants, ECEG is the primary source of information and the meetings are generally considered as informative and valuable (*"The ECEG meetings are needed and useful to know what is going on – both on the Commission side and in other countries"*). A number of respondents also stress the **important role of ECEG in creating a network** and establishing contacts with relevant colleagues in other countries. This contact network is considered as particularly useful in case of specific requests or concerns regarding investigations or operations (*"If we need to contact someone, we know where/who to contact"*).

Other Coordination and Cooperation Efforts. In addition to coordination through the ECEG mechanism, Pericles 2020 also consults directly with ECB and Europol on other occasions. In particular, the Programme strategy is shared with both entities and their feedback is integrated before the strategy is presented and discussed within ECEG. Furthermore, the Programme together with both ECB and Europol are making joint efforts to establish a platform of contacts, and eventually cooperation, with relevant Chinese authorities.¹⁰² **Pericles 2020 coordination** with regard to programming as well as implementation of specific actions is **generally well appreciated** by the interviewed EU/international institutions. A couple also point to a more *"constructive approach"* to cooperation in recent years. However, one EU/international stakeholder call for more specific cooperation on operational matters regarding actions (especially those involving third countries). Finally, the Programme also holds bilateral meetings with individual MS upon request.

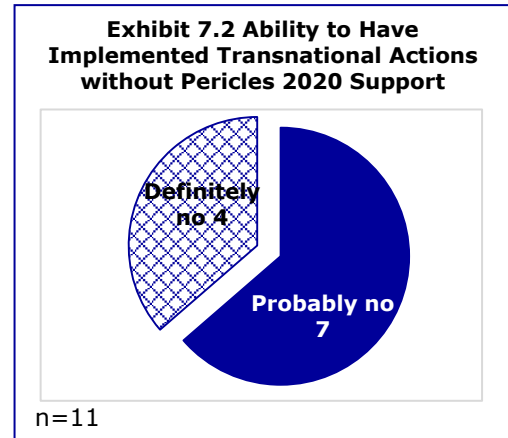
7.4 EU Added Value [EQ#11]

Ability of EU MS to Implement Transnational Actions. Given the transnational dimension of the euro and of euro counterfeiting, euro protection clearly goes beyond the interest and the responsibility of individual Euro area MS. Indeed, all Implementers agree that they **would 'definitely not' or 'probably not' have been able to carry out the implemented transnational actions without Pericles 2020 support.**

¹⁰¹ In practical terms, the ECEG meetings (one day events) are held three times per year (namely in March, June and November) and include for example: (i) status reports of the counterfeiting situation by ECB (banknotes), ETSC (coins), and other entities (i.e. namely Europol and Interpol) as well as MS (including information of preventive and operational/investigative measures); (ii) presentations of implemented and upcoming Pericles 2020 actions; (iii) updates on technical specification of common class banknotes and coins; (iv) discussions of relevant legislative proposals or other measures (such as the 2014 Directive on the protection of the euro and other currencies against counterfeiting by criminal law); and (v) regular reviews of Pericles 2020 application procedures (including a step by step summary on how to complete the budget form).

¹⁰² Ongoing negotiations are also currently targeted at making illegal the production of components used in the counterfeiting of euro banknotes (currently not an offense under the criminal law).

In some cases, this is not only because of the lack of financial resources, but also thanks to the Programme pointing to an existing need and opportunity for action (*"We would not have gone looking for things to do in Albania, Serbia, etc. unless Pericles did not exist"*). In a couple of cases, the participation of not only the Commission but also other relevant EU/international institutions has also been important in order to attract interest and engagement in actions and relevant topics (*"The Programme provides visibility and a certain weight"*). The Implementers also claim that they would not be able (or find it very difficult) to implement similar actions in the future should Programme discontinue since national resources are in general very limited (and, in the words of one Implementers, *"the government has no interest in pursuing this issue independently"*). Given the current general context of financial limitations and the human resource constraints faced by many CNA (as presented in Section 6 above), most would have difficulties with justifying the implementation of transnational initiatives from their own national budgets; especially since they are implementers rather than beneficiaries of such activities. Without the Programme, any future action on part of individual MS would in case be less structured and much more national in focus.



Transnational Dimension of Pericles 2020. On the whole, with some 870 (unique) participants from 71 countries across the world, the Programme has **clearly promoted transnational cooperation** within the EU¹⁰³ as well as internationally for a global protection of the euro against counterfeiting (as required by Article 2 of Regulation 331). A good share of the consulted CNA (including those not yet having applied for Pericles 2020 funding) and Supported Authorities express the importance of and appreciation for the role of the Programme and ECEG in creating a valuable transnational network and promoting cross-border cooperation. Some Implementers also point to the increasingly valuable role of Pericles 2020 in taking responsibility for specific areas (such as the deep/dark web) and the (challenging) relationship with certain countries (namely China) as it is difficult for individual MS to effectively address these tasks on their own. The added value of the Programme hence stems from its transnational dimension and promotion of cooperation between MS and third countries as well as from the fact that it addresses issues that clearly go beyond the responsibility of individual countries. Finally, as outlined in Section 7.3 above, while other euro protection initiatives also have a transnational dimension, Pericles 2020 is also the only programme at the Commission level (and indeed the EU and international level) exclusively addressing euro counterfeiting as a specific crime.

¹⁰³ 15% of the weight of the award criteria for Pericles 2020 grants are specifically assigned to the 'European dimension' of proposed grant actions.

8 CONCLUSIONS AND RECOMMENDATIONS

8.1 Conclusions

8.1.1 Relevance

Relevance of Pericles 2020 Objectives (EQ#1 and EQ#2). All available evidence definitely suggests that ***the general and specific objectives are relevant and are likely to remain so during the Programme's life.*** Concerning euro protection in general, while data show that the integrity of the euro is currently not threatened, with counterfeiting ratios lower than in the case of other major currencies, ***all stakeholders concur that vigilance must remain high.*** In a similar vein, 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. Regarding EU MS and particularly Euro area MS, most CNA have reached a good, sometimes excellent, level of preparedness, but ***some gaps still exist*** (especially in new MS) ***or may emerge due to the evolving nature of the threat.*** It is important to note that this view is also shared by the CNA of MS where euro counterfeiting can be scarcely considered a problem at the moment. While they have not played an active role in the Programme, they consider the existence of Pericles 2020 as an important reassuring element, to which they could turn in case of need. Finally, regarding third countries, some progress has been achieved (also thanks to Pericles 2020 and its predecessor) in selected areas (Colombia, Peru, South Eastern Europe), but most stakeholders concur that ***institutional strengthening needs are still substantial.***

Relevance of Pericles 2020 Priorities (EQ#3). The assessment is equally positive regarding the Programme's strategic priorities. Pericles 2020's ***target geographies correspond to the countries/areas considered at risk*** regarding the production and/or circulation of euro counterfeit, and this orientation has been duly translated in operational terms, with a concentration of efforts in those countries/areas. ***The attention devoted to China is also well justified*** by the growing role played by this country as a source of counterfeit components and, if anything, stakeholders suggest an even stronger focus on China in the future (see Section 8.2 below). ***Thematic priorities are also aligned with needs***, with the strong focus on counterfeiting through the internet highly praised by stakeholders.

Relevance of Pericles 2020 Actions and Target Groups(EQ#4). Regarding the typologies of actions, ***Pericles 2020's set of instruments is well suited to the purpose.*** Conferences, workshops, trainings and staff exchanges serve different but complementary purposes and are generally highly appreciated by stakeholders. Views are more divided regarding studies, but reservations appear to concern the subject being studied rather than the instrument per se. The attention paid by the Programme to more technical themes (innovative security features for euro coins) is likely to enhance the perceived usefulness of this instrument. Finally, the procurement of equipment to be transferred to third country authorities is viewed with a certain scepticism by some stakeholders, but the instrument is quite new (it was not used by any of the actions reviewed for this Evaluation) and no judgement can be passed at this stage. Concerning target groups, ***the multidisciplinary approach is unanimously praised by stakeholders and participants in Pericles 2020 events***, who consider the involvement of persons with different professional backgrounds a central tenet of a successful euro protection strategy. In response to earlier evaluations, the Programme has made efforts to increase the participation of representatives from the judiciary and although the results achieved are positive (see Section 8.1.2 below), some stakeholders would like to see more efforts in this direction.

8.1.2 Effectiveness and Sustainability

Delivery of Outputs (EQ#5). Pericles 2020 actions were typically implemented as planned and achieved the intended outputs. ***Actions were usually timely implemented***, with only marginal changes in the work plans, and only one action out of 27 incurred significant delays, due to well justified reasons. ***The number of participants in events is largely in line with expectations.*** The difference between expected and actual participants is a mere 2%, which is

negligible considering the difficulties of organising large international events. In addition, **the Programme was successful in broadening its reach** beyond the 'traditional constituency' of law enforcement officers, with a significant increase in the participation of representatives of monetary and judiciary authorities. **The quality of the support provided is highly praised by participants** in Pericles 2020. The feedback provided immediately after the 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 were able to learn about best practices, acquire useful skills and establish contacts with colleagues in other countries. **The quality of actions is also judged positively by the institutions involved**, with third country authorities providing a fairly enthusiastic assessment on virtually all aspects and CNA appreciating in particular the possibility of establishing new contacts in both MS and third countries and the information acquired on novel topics (counterfeit through the web).

Achievement of Outcomes (EQ#6). Some of the actions analysed for this Evaluation were only recently completed or are still ongoing and therefore their results will become more visible only in the future (e.g. the results of technical studies on security features of the new generation of euro coins). Subject to this general caveat, **available evidence suggests that the outputs delivered did translate into tangible outcomes**, although there are some variations across the various groups and the type of progress recorded. **Improvements in operational capabilities and the adoption of improved methods** (e.g. more effective procedures for dealing with suspected counterfeits, better identification of risks and definition of countermeasures) are emphasised by third country authorities and by individual participants in Pericles 2020 initiatives. As a result, the involvement in euro protection activities has increased for three quarters of the third country authorities. Progress is also reported by CNA in EU MS, but on a lesser scale. This is not surprising since the CNA involved in Pericles 2020 implementation commonly already have a solid experience in euro protection, and it would be unrealistic to expect any major 'breakthroughs' from their participation in Programme actions. In this respect, some CNA clearly favour activities on novel topics, which would offer greater opportunity for enhancing their capability. A different situation is found regarding the **improvements in international cooperation** expected to result from Pericles 2020's networking 'component'. In this case, the most positive results were achieved by CNA, which almost invariably report substantial progress in the level and quality of interactions with sister organisations in both EU MS and third countries. Positive developments are also reported by third country authorities and by individual participants, but on a much smaller scale. **This dichotomy in results well illustrates the challenges faced by the Programme**, which is confronted with a widely diversified audience, with different agendas, levels of capabilities, and needs that are not always easy to reconcile. The fact that, despite these marked differences, **the views of stakeholders are generally positive, is an indication of the overall success of the Programme.**

Contribution to Euro Protection – Improvements in the Legal and Institutional Framework (EQ#7). Pericles 2020's positive results in terms of enhanced institutional capabilities are complemented by a positive contribution to the setting up of institutions and the adoption of legislation aimed at improving euro protection. While institutional and legal reforms are rarely the result of a single factor, there is little doubt that Pericles 2020 and its predecessor played an important role in the establishment of key institutions in Latin America as well as in the passing of important legislation in South Eastern Europe. **The Programme has hence also contributed to create the preconditions for an effective euro protection activities.**

Contribution to Euro Protection – Influence on Operational Activities (EQ#7). Available data on the performance indicators specified in Regulation 331 suggests that Pericles 2020 is broadly on track to achieve the intended targets. **The problem is that these indicators, linked to the results of operational counterfeit repression activities, are not fully adequate to measure the performance of the Programme.** Quantifying the impact of a capacity building initiative in terms of operational results is an exercise fraught with difficulties due to the influence of a host of intervening factors, and this is particularly the case of initiatives intended to protect against criminal activities, the magnitude of which is almost by definition unknown. Subject to this major caveat, **there is evidence that, in selected situations, the**

Programme has indeed exerted a direct tangible influence on euro protection operational activities. This is particularly the case of Latin American countries, where all stakeholders concur that 'some part' of counterfeited euro banknotes seized over the last decade, with a total face value of some € 40 million, can be legitimately attributed to Pericles 2020 and its predecessor. However, nobody is in the position to determine the precise amount.

Sustainability of Results (EQ#15). Available evidence suggests that the benefits resulting from Pericles 2020 actions may have long lasting effect. All but two individuals participating in Programme events still work for the same institution, and such a remarkable degree of job stability is a good precursor for sustainability. More important, third country authorities have adopted measures to disseminate the information, contacts, etc. acquired through the participation in Pericles 2020 actions, sometimes reaching a substantial number of staff. Overall, **prospects for the continued utilisation of results appear to be favourable.**

8.1.3 Efficiency

Appropriateness of Management, Programming and Coordination Mechanisms (EQ#8). The transfer of responsibilities from OLAF and DG ECFIN was orderly done and did not have any negative influence on operations. Programming documents provide a good reference framework for operational activities and contain the information required by the CNA interested in managing Pericles 2020 actions. ECEG is an effective forum for the discussion of priorities and coordination of capacity building plans and is also a key channel for the dissemination of information on the Programme to interested parties. Overall, **the institutional arrangements established for the implementation of the Programme are well suited to the purpose.**

Appropriateness of Administrative Procedures (EQ#8). CNA implementing Pericles 2020 actions do face some challenges, especially in the application stage. However, the time required to prepare an application (on average, little more than 8 staff/days) does not seem unreasonable and the assistance provided by the staff in charge of the Programme is widely appreciated. The innovations introduced by Pericles 2020 compared with its predecessor are appreciated by stakeholders. There are some areas in which further improvements are possible (see Section 8.2 below), but it is important to note that administrative procedures are not an element discouraging participation in the Programme. The non-participation is rather affected by other factors (euro counterfeiting not being a pressing problem, scarcity of human resources). All things considered, **while susceptible of further, smaller improvement, administrative procedures can be regarded as broadly appropriate.**

Appropriateness of Co-financing Rate (EQ#9). The increase of the maximum EU contribution compared with the previous Pericles Programme is definitely appreciated by CNA. Still, the mobilisation of the co-financing required to complement the EU contribution does pose problems for some CNA, namely in new MS and/or in countries facing significant budgetary constraints. An increase of the EU contribution would obviously be welcomed, but it is unlikely to significantly broaden the number of CNA interested in applying for the implementation of Pericles 2020 actions. At the same, since the total financial envelope is fixed, increasing the 'grant element' of CNA-implemented actions would inevitably entail a reduction in DG ECFIN 'direct' actions. **While it is conceivable that the 90% contribution rate might be used in a broader range of situations, a generalised increase in the EU contribution does not seem advisable.**

Cost-Effectiveness of Individual Actions (EQ#10). Cost-effectiveness considerations play a major role in the selection of actions to be implemented and this has had beneficial effects. The staff costs charged by CNA are quite reasonable and much lower than typical consultant fees. The cost per person participating in Pericles 2020 actions varies considerably, with actions implemented in distant third countries being quite expensive. However, on average, Pericles 2020's unit costs are aligned with those of other EU-funded programmes providing support to national authorities and having similar operational modalities. These elements **clearly suggest that the EU budgetary resources deployed for Programme actions are used judiciously, yielding a good value for money.**

Cost-Effectiveness at Programme Level (EQ#10). Pericles 2020 is a small programme and this inevitably increases the incidence of overhead costs, which are definitely on the high side. In principle, economies of scale could be achieved by incorporating euro protection activities into other larger EU programmes. However, ***the elimination of Pericles 2020 as a standalone programme would entail a loss in specificity, with a likely decline in the effectiveness of euro protection actions that may well more than offset the financial savings.***

8.1.4 Coherence and EU Added Value

Complementarity with National Initiatives (EQ#12). The fulfilment of Pericles 2020's strict transnationality requirement is carefully scrutinised during the selection of the actions to be implemented and this per se minimises the risk of overlapping with national initiatives. Furthermore, national initiatives mostly consist of fairly basic training and demonstration activities to operators and financial sector employees, an area of intervention that has been only marginally covered by the Programme and only in non-EU countries. Overall, ***Pericles 2020 activities can be regarded as fully complementary with national initiatives, with no overlapping whatsoever.***

Complementarity with EU Level and International Initiatives (EQ#13 and EQ#14). Pericles 2020's distinct transnational approach and focus on capacity building set it apart from the majority of EU level and international initiatives, which rarely simultaneously display the same features. Indeed, several CNA and third country authorities have been involved in other programmes, but they regard Pericles 2020 as fairly unique, effectively complementing other initiatives. At the operational level, coordination is greatly facilitated by the participation of all key stakeholders in ECEG meetings, during which Pericles 2020 plans are presented and discussed. This leads to a ***globally positive assessment regarding Pericles 2020's complementarity with other existing initiatives.***

EU Added Value (EQ#11). ***The Programme's added value lies essentially in its ability to support forms of international cooperation that are beyond reach for national authorities.*** All CNA concur that initiatives such as the establishment of a dialogue with Chinese anti-counterfeiting authorities or the support to euro protection activities in Latin America would not have been feasible without 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.

8.1.5 Summing Up

All the findings converge towards an unambiguously positive overall assessment. There is room for smaller improvements, but there is no doubt that Pericles 2020 ***scores 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. Under these conditions, bearing in mind the purpose of this Evaluation, ***the continuation of the Programme until its natural expiry in 2020 as well as in the future is definitely recommended.***

8.2 Recommendations

Continued Emphasis on China and Internet. China and internet have already been the subject of significant work during the initial phase of Pericles 2020, to the satisfaction of all parties involved. However, the two themes continue to rank quite high on the list of 'new threats' and indeed virtually all CNA consulted have expressed a ***keen interest in further activities.*** In the case of China, it is worth noting that, considering the difficulties in establishing bilateral contacts, some interviewees have explicitly called for a strong involvement of DG ECFIN, through the ***implementation of dedicated direct actions.*** Regarding the deep/dark web, the information dissemination and awareness enhancing activities carried out so far could be usefully complemented by more operationally-oriented initiatives, involving the participation of customs

officers, representatives of parcel delivery companies, and IT experts, which could eventually lead to the definition of new operational protocols (for example a sort of due diligence process for parcel deliveries?).

Fine Tune Administrative Procedures. In the area of administrative procedures, two themes susceptible of improvement can be identified. The first relates to the ***(in)adequacy of daily subsistence rates used for CNA-implemented actions***. The new table of rates applicable to Commission staff adopted in mid-2016 generally constitutes an improvement over the situation lamented by several CNA representatives. However, a detailed review suggests that in certain countries (typically, 'new' MS) even the revised rates may not be in line with prevailing price levels. Therefore, consideration could be given to the possibility of allowing greater latitude in determining subsistence cost. An example in this respect is provided by DG NEAR's Internal Security Fund, which leaves the possibility of either referring to the rates applicable to national administrations or using actual costs, subject to a fairly generous ceiling. The second area of possible improvement concerns the ***possibility of submitting applications and other relevant documentation online***. Various Commission services already make use of dedicated portals for the handling of calls for proposals and/or service contracts.¹⁰⁴ Extending this opportunity to Pericles 2020 would contribute to smooth the interaction between DG ECFIN and applicants and would be certainly appreciated by CNA.

Encourage Greater CNA Participation. The reasons leading to the non-participation of many CNA in the Programme are unlikely to spontaneously disappear in the foreseeable future. However, a few Former Implementers/Non Applicants consulted more or less explicitly suggested that a more 'aggressive' marketing strategy on the part of DG ECFIN in illustrating the issues at stake may well lead to a reconsideration of the current low prioritisation of euro counterfeiting. 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. The return of a similar 'promotional' approach is difficult to predict, but considering that numbers are small, even eliciting just a couple additional applications could constitute a non-trivial achievement.

Revise Performance Indicators. As indicated above, 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 a set of measures that can more accurately capture the results of Pericles 2020 actions***. These indicators could focus on aspects such as: (i) the level and intensity of the interinstitutional cooperation established; (ii) the nature and scale of the dissemination activities undertaken; and (iii) the frequency of utilisation of certain techniques or tools. Some of these indicators could be developed based on the experience gained through this Evaluation. Two points must be noted. First, the introduction of a new set of indicators inevitably requires time, and therefore it does not seem feasible within the framework of Pericles 2020 but should only be considered when the Programme is extended beyond 2020. Second, the new indicators would require the collection of additional information and this may require the mobilisation of some dedicated resources. In this respect, some considerations are provided in Box 8.1 below.

Box 8.1 Data Collection for Performance Indicators

The collection of information for new performance indicators may prove complex, as it would entail contacts with authorities involved in Programme actions, notably Supported Authorities in third countries. Such a task cannot be entrusted entirely upon the shoulders of the CNA having implemented the action, who at most could report on certain aspects (e.g. contacts/cooperation occasions after the closure of the actions). Therefore, it would be necessary to envisage a periodical survey in order to retrieve information on the types of dissemination activities carried out (and the number of staff involved) and concrete examples of the use of techniques or tools. A standard follow-up message with a few key questions could perhaps also be sent by the Commission to all participants some 12 months after their participation in an action (in this regard, it is absolutely essential that CNA implementing actions provide contact information,

¹⁰⁴ Examples include the PROSPECT system, used by DG DEVCO for the handling of call for proposals, and the e-Submission system, used by other services (e.g. DG GROW).

namely e-mail addresses, of all participants in electronic format). While participants and Supported Authorities might ignore such messages, the good response rate of the Survey for Participants carried out under this Evaluation and the availability of Supported Authorities to provide their feedback are good indications of possibly receiving at least a sufficient amount of information to pass a judgement of the results achieved. Finally, within the EU, ECEG could be used, on an annual basis, to briefly report on any progress on part of (or challenges faced by) CNA (or other entities engaged in euro protection) in the MS.

ANNEXES

ANNEX A – INFORMATION ON PERICLES 2020 ACTIONS

Exhibit A.1 – Basic Information

Year	Number	Implementer (Country)	Action Type	Title of Action	Short Title	Expected Cost	Expected Grant
2014	..	DG ECFIN	CON	3rd International Conference on the Protection of the Euro against Counterfeiting	Frankfurt Conference	79,000.00	79,000.00
2014	OLAF/2014/D5/039	UCAMP (Italy)	CON	A Community Strategy to Protect the Euro in the Mediterranean Area	Med Conference Rome	120,865.94	86,890.52
2014	OLAF/2014/D5/040	DCPJ-OCRFM (France)	STU	Study on Euro Currency Counterfeiting in France: Actors and Organisations	Study on Counterfeiting in France	84,861.50	41,371.05
2014	OLAF/2014/D5/044	BIBE (Spain)	TRA	Training Course on Money Counterfeiting in Latin American Countries	Training Santiago	173,296.38	155,966.74
2014	OLAF/2014/D5/050	CCAFM (Italy)	STE	Staff Exchange on Investigative Techniques against Money Counterfeiting	Staff Exchange Investigative Techniques 1	81,114.99	57,794.00
2014	OLAF/2014/D5/051	Monnaie de Paris (France)	STU	Nanostructured Photochromic Polymers with Novel Security Features for Use in Euro Coins	Nanoguard Project - Phase 1	134,000.00	100,500.00
2014	OLAF/2014/D5/052	Banca d'Italia (Italy)	STE	Staff Exchange: Bank of Italy - Bank of Albania	Staff Exchange Italy Albania	9,534.70	6,674.29
2014	SI2.693181	DG ECFIN	TRA	Developing a Common Approach in Protecting the Euro	Training Ankara	96,501.21	96,501.21
2014	SI2.694419	DG ECFIN	TRA	Technical Training - Strengthening the Protection of the Euro	Training Tirana	109,967.11	109,967.11
2014	SI2.694421	DG ECFIN	TRA	Tactical Technical Training - Protecting the Euro against Counterfeiting	Training Cali	138,649.01	138,649.01
2015	ECFIN/120/2015	UCAMP (Italy)	CON	A Community Strategy to Protect the Euro in the Mediterranean Area	Med Conference Marrakesh	149,067.37	111,800.53
2015	ECFIN/121/2015	BIBE (Spain)	TRA	Train the Trainers on Euro Currency Counterfeiting in Latin American Countries	Training Lima	204,173.10	183,755.79
2015	ECFIN/122/2015	DCPJ-OCRFM (France)	WOR	Cooperation with China in the Fight against Euro Counterfeiting	China Workshop	33,474.95	25,106.00

Mid-Term Evaluation of the Pericles 2020 Programme

Year	Number	Implementer (Country)	Action Type	Title of Action	Short Title	Expected Cost	Expected Grant
2015	ECFIN/196/2015	BIBE (Spain)	STE	Staff Exchange: Argentina, Colombia, Mexico, Peru, Spain and Belgium	Staff Exchange Latin America	102,278.70	76,709.03
2015	ECFIN/197/2015	Croatian National Bank (Croatia)	CON	2nd Conference - Balkan Network for Euro Protection	Split Conference	78,821.31	59,115.98
2015	ECFIN/198/2015	LKA Berlin (Germany)	WOR	Combating Counterfeit Currency Crime	Berlin Workshop	25,222.81	22,700.00
2015	ECFIN/199/2015	CCAFM (Italy)	STE	Staff Exchange on Investigative Techniques against Money Counterfeiting	Staff Exchange Investigative Techniques 2	87,965.55	64,696.56
2015	ECFIN/200/2015	UCIFM (Italy)	CON	Euro Counterfeiting in Europe: Analysis of the Situation and Possible Future Threats and Measures to Adopt	Rome Conference	78,037.37	58,480.96
2015	ECFIN/201/2015	UCIFM (Italy)	STE	Staff Exchange: Italy, Armenia, France, Georgia, Germany, Slovakia, Switzerland	Staff Exchange Europe	56,190.70	42,131.50
2015	SI2.721313	DG ECFIN	STE	Staff Exchange between Central Banks: Albania - Kosovo	Staff Exchange Albania Kosovo	22,494.08	22,494.08
2015	SI2.721509	DG ECFIN	CON	Pericles 12th Euro South East Conference	Zagreb Conference	197,199.00	197,199.00
2015	SI2.721608	DG ECFIN	WOR	EU-China Workshop on the Protection of Currencies against Counterfeiting	EU-China Workshop	103,549.90	103,549.90
2016	ECFIN/124/2016	Monnaie de Paris (France)	STU	Nano-Structured Photochromic Polymers for New Coin Security Features	Nanoguard Project - Phase 2	170,233.00	127,673.00
2016	ECFIN/121/2016	BIBE (Spain)	TRA	Training Course on Money Counterfeiting in Latin American Countries	Training Buenos Aires	259,114.84	194,336.13
2016	ECFIN/122/2016	UCAMP (Italy)	CON	A Community Strategy to Protect the Euro in the Mediterranean Area	Med Conference Tirana	113,702.20	85,276.65
2016	ECFIN/123/2016	Banco de España (Spain)	STE	Knowledge of Classification of Counterfeit Banknotes and Coins	Staff Exchange Classification	29,165.00	15,665.00
2016	..	DG ECFIN	TRA	Direct assistance on backlog in coins' classifications	Backlog Coins Classifications	13,181.35	13,181.35

Exhibit A.2 – Operational Aspects

Year	Implementer (Country)	Action Type	Short Title	Implementation Period	Location(s)	Expected Participants	Actual Participants
2014	DG ECFIN	CON	Frankfurt Conference	24-27/03/2015	Germany (Frankfurt)	..	157
2014	UCAMP (Italy)	CON	Med Conference Rome	18-20/11/2014	Italy (Rome)	82	109
2014	DCPJ-OCRFM (France)	STU	Study on Counterfeiting in France	16/09/2014-31/12/2015	France (Paris)	–	–
2014	BIBE (Spain)	TRA	Training Santiago	25-28/11/2014	Chile (Santiago de Chile)	85	77
2014	CCAFM (Italy)	STE	Staff Exchange Investigative Techniques 1	04/12/2014 – 31/07/2015	Multiple	100	110
2014	Monnaie de Paris (France)	STU	Nanoguard Project - Phase 1	27/01/2015 – 31/10/2015	France (Paris)	–	–
2014	Banca d'Italia (Italy)	STE	Staff Exchange Italy Albania	17/12/2014 -31/08/2015	Italy (Rome)	10	9
2014	DG ECFIN	TRA	Training Ankara	3-5/03/2015	Turkey (Ankara)	80	74
2014	DG ECFIN	TRA	Training Tirana	19-21/05/2015	Albania (Tirana)	63	71
2014	DG ECFIN	TRA	Training Cali	22-24/04/2015	Colombia (Cali)	69	63
2015	UCAMP (Italy)	CON	Med Conference Marrakesh	25-27/11/2015	Morocco (Marrakesh)	78	77
2015	BIBE (Spain)	TRA	Training Lima	24-27/11/2015	Peru (Lima)	90	91
2015	DCPJ-OCRFM (France)	WOR	China Workshop	19-20/01/2016	France (Paris)	15	17
2015	BIBE (Spain)	STE	Staff Exchange Latin America	01/01/2016 – 30/07/2016	Multiple	14	12

Mid-Term Evaluation of the Pericles 2020 Programme

Year	Implementer (Country)	Action Type	Short Title	Implementation Period	Location(s)	Expected Participants	Actual Participants
2015	Croatian National Bank (Croatia)	CON	Split Conference	21-24/03/2016	Croatia (Split)	62	62
2015	LKA Berlin (Germany)	WOR	Berlin Workshop	24-28/10/2016	Germany (Berlin)	20	24
2015	CCAFM (Italy)	STE	Staff Exchange Investigative Techniques 2	14/02/2016 – 18/06/2016	Multiple	100	81
2015	UCIFM (Italy)	CON	Rome Conference	12-13/04/2016	Italy (Rome)	79	72
2015	UCIFM (Italy)	STE	Staff Exchange Europe	15/05/2016 – 30/11/2016	Multiple	17	..
2015	DG ECFIN	STE	Staff Exchange Albania Kosovo	27/06/2016 - 15/07/2016	Albania (Tirana) and Kosovo (Pristina)	12	11
2015	DG ECFIN	CON	Zagreb Conference	17-21/10/2016	Croatia (Zagreb)	101	97
2015	DG ECFIN	WOR	EU-China Workshop	31/05/2016 - 02/06/2016 (postponed to 2017)	Belgium (Brussels)	36	–
2016	Monnaie de Paris (France)	STU	Nanoguard Project - Phase 2	September 2016 - October 2017	France (Paris)	–	–
2016	BIBE (Spain)	TRA	Training Buenos Aires	29/11/2016 - 02/12/2016	Argentina (Buenos Aires)	90	83
2016	UCAMP (Italy)	CON	Med Conference Tirana	05-07/10/2016	Albania (Tirana)	78	73
2016	Banco de España (Spain)	STE	Staff Exchange Classification	11/09/2016 – 08/10/2016	Spain (Madrid)	11	..
2016	DG ECFIN	TRA	Backlog Coins Classifications	04-08/07/2016	Spain (Madrid)	4	5

Exhibit A.3 – Financial Aspects

Year	Implementer (Country)	Action Type	Short Title	Initial Cost	Actual Cost	Difference Costs	Initial Grant	Actual Grant	Difference Grant
2014	DG ECFIN	CON	Frankfurt Conference	79,000.00	..	..	79,000.00	–	–
2014	UCAMP (Italy)	CON	Med Conference Rome	120,865.94	89,110.89	31,755.05	86,890.52	64,061.82	22,828.70
2014	DCPJ-OCRFM (France)	STU	Study on Counterfeiting in France	84,861.50	64,202.01	20,659.49	41,371.05	31,375.52	9,995.53
2014	BIBE (Spain)	TRA	Training Santiago	173,296.38	140,363.12	125,760.30	155,966.74	126,326.81	29,639.93
2014	CCAFM (Italy)	STE	Staff Exchange Investigative Techniques 1	81,114.99	76,181.68	4,933.31	57,794.00	52,860.69	4,933.31
2014	Monnaie de Paris (France)	STU	Nanoguard Project - Phase 1	134,000.00	..	..	100,500.00	..	..
2014	Banca d'Italia (Italy)	STE	Staff Exchange Italy Albania	9,534.70	6,129.52	3,405.18	6,674.29	4,290.66	2,383.63
2014	DG ECFIN	TRA	Training Ankara	96,501.21	33,878.15	..	96,501.21	–	–
2014	DG ECFIN	TRA	Training Tirana	109,967.11	41,155.14	..	109,967.11	–	–
2014	DG ECFIN	TRA	Training Cali	138,649.01	..	..	138,649.01	–	–
2015	UCAMP (Italy)	CON	Med Conference Marrakesh	170,416.86	102,767.94	67,648.92	111,800.53	77,075.96	34,724.57
2015	BIBE (Spain)	TRA	Training Lima	204,173.10	168,532.42	35,640.68	183,755.79	146,874.48	36,881.31
2015	DCPJ-OCRFM (France)	WOR	China Workshop	33,474.95	33,418.72	56.23	25,106.00	25,064.04	41.96
2015	BIBE (Spain)	STE	Staff Exchange Latin America	102,278.70	82,189.93	19,728.07	76,709.03	61,639.93	15,069.10
2015	Croatian National Bank (Croatia)	CON	Split Conference	78,821.31	59,107.97	19,713.34	59,115.98	44,330.98	14,785.00
2015	LKA Berlin (Germany)	WOR	Berlin Workshop	25,269.72	..	..	22,700.00	..	..
2015	CCAFM (Italy)	STE	Staff Exchange Investigative Techniques 2	87,965.55	70,295.01	17,670.54	64,696.56	51,701.98	12,994.58
2015	UCIFM (Italy)	CON	Rome Conference	102,906.35	53,279.08	49,627.27	58,480.96	77,075.96	-18,595.00

Mid-Term Evaluation of the Pericles 2020 Programme

Year	Implementer (Country)	Action Type	Short Title	Initial Cost	Actual Cost	Difference Costs	Initial Grant	Actual Grant	Difference Grant
2015	UCIFM (Italy)	STE	Staff Exchange Europe	56,190.70	..	..	42,131.50	..	..
2015	DG ECFIN	STE	Staff Exchange Albania Kosovo	22,494.08	..	..	22,494.08	-	-
2015	DG ECFIN	CON	Zagreb Conference	197,199.00	147,954.91	49,244.09	197,199.00	147,954.91	49,244.09
2015	DG ECFIN	WOR	EU-China Workshop	103,549.90	..	..	103,549.90	-	-
2016	Monnaie de Paris (France)	STU	Nanoguard Project - Phase 2	170,233.00	..	..	127,673.00	..	..
2016	BIBE (Spain)	TRA	Training Buenos Aires	259,114.84	..	..	194,336.13	..	..
2016	UCAMP (Italy)	CON	Med Conference Tirana	113,702.20	..	..	85,276.65	..	..
2016	Banco de España (Spain)	STE	Staff Exchange Classification	29,165.00	..	..	15,665.00	..	..
2016	DG ECFIN	TRA	Backlog Coins Classifications	13,181.35	..	..	13,181.35	-	-

ANNEX B – EVALUATION MATRIX

Evaluation Question (EQ)	Judgement Criteria (JC)	Indicators	Sources of Information
Relevance			
EQ #1: To what extent is there still a need to protect the euro against counterfeiting and related fraud?	JC #1.1: Actual and perceived extent and severity of the euro counterfeit problem and its evolution over time	<ul style="list-style-type: none"> Number and importance of countries considered 'at risk' (production and/or distribution) Nature and severity of 'new threats' resulting from innovative forms of counterfeiting production and/or distribution (e.g. internet) Stakeholders' perceptions (severity of threat) 	<ul style="list-style-type: none"> Europol reports (OCTA/SOCTA) Interpol reports ECB reports ECEG reports (minutes of meetings) Institutional interviews Interviews with CNA and Supported Authorities Survey of participants
EQ#2 To what extent is the specific objective of the Programme (enhance institutional capacity) relevant to achieve its general objective (euro protection)?	JC #2.1: Actual and perceived adequacy of the institutional capacity to protect the euro	<ul style="list-style-type: none"> Status of the legal and institutional framework in the countries considered 'at risk' (NAC, CNAC, NCO) Status of capabilities to protect the euro against 'new threats' (production and/or distribution) Stakeholders' assessment of capacity building needs Stakeholders' motivation for / interest in participating in the Programme 	<ul style="list-style-type: none"> Europol reports (OCTA/SOCTA) Interpol reports ECB reports ECEG reports (minutes of meetings) Institutional interviews Interviews with CNA and Supported Authorities
EQ#3 To what extent are the priorities of the Programme relevant to achieve its general and specific objectives?	JC #3.1: Degree of alignment of priorities with the need to improve capacity in relevant institutions	<ul style="list-style-type: none"> Importance attributed to actions targeting countries 'at risk' with weak legal and institutional frameworks Importance attributed to actions aimed at strengthening capabilities against 'new threats' Stakeholders' views (geographical and thematic priorities) 	<ul style="list-style-type: none"> Programme documents Institutional interviews Interviews with CNA and Supported Authorities
EQ#4 To what extent are the Programme actions and target groups relevant to achieve its general and specific objectives?	JC #4.1: Degree of alignment of the various types of actions with the needs to improve capacity within relevant institutions JC #4.2: Degree of appropriateness of the target	<ul style="list-style-type: none"> Stakeholders' views (usefulness of various types of actions) Stakeholders' views (importance of target groups) 	<ul style="list-style-type: none"> Institutional interviews Interviews with CNA and Supported Authorities Survey of participants

Evaluation Question (EQ)	Judgement Criteria (JC)	Indicators	Sources of Information
	groups to improve capacity within relevant institutions		
Effectiveness			
EQ#5 To what extent have the activities financed under the Programme delivered the expected outputs?	JC #5.1: Quantity and quality of outputs compared with targets/relevant benchmarks	<ul style="list-style-type: none"> • Number and composition of people directly benefitting from Programme actions (i.e. the 'participants') • Number and composition of people indirectly benefitting from Programme actions (e.g. thanks to ToT) • Degree of satisfaction of people directly participating in Programme actions 	<ul style="list-style-type: none"> • Survey of participants • Action documents (reports on implemented actions, including participants' feedback forms)
EQ#6 To what extent has the specific objective of the Programme (enhanced institutional capacity) been achieved?	JC #6.1: Degree of improvement in capacity within relevant institutions attributable to Programme actions	<ul style="list-style-type: none"> • Level of improvement in the legal and institutional framework (NAC, CNAC, NCO) • Level of improvement in operational capabilities (e.g. improved investigative techniques effectively adopted) • Extent of improvement in transnational coordination/cooperation • Stakeholders' assessment (improved methods, closer cooperation, etc.) 	<ul style="list-style-type: none"> • Interviews with CNA and Supported Authorities • Survey of participants
EQ#7 To what extent has the Programme contributed, in quantitative and qualitative terms, to protect the euro against counterfeiting and related fraud as well as to other EU priorities?	JC #7.1: Contribution to improve the protection of the euro as measured by indicators mentioned in Article 4 JC #7.2: Contribution to support smart, sustainable and inclusive growth and to improve the efficient functioning of the Economic and Monetary Union	<ul style="list-style-type: none"> • Evolution overtime of indicators mentioned in Article 4 (counterfeits detected, illegal workshops dismantled, individuals arrested, and penalties imposed) • Concrete examples of Programme actions contributing to improvements in indicators mentioned in Article 4 • Stakeholders' perceptions regarding the possible contribution to 'broad economic' effects 	<ul style="list-style-type: none"> • ECEG reports (minutes of meetings) • Crime statistics (national and EU level) • Institutional Interviews • Interviews with CNA and Supported Authorities • Survey of participants
Efficiency			
EQ#8 To what extent do the management and administrative structures and procedures currently in place ensure an economic and efficient use of resources in the achievement of	JC #8.1: Degree to which existing management and administrative structures and procedures enable the attraction and implementation of good quality actions	<ul style="list-style-type: none"> • Stakeholders' views (user friendliness of application procedures and reporting, quality of assistance received during application and implementation, etc.) • Stakeholders' motivations for applying or not applying for funding 	<ul style="list-style-type: none"> • Interviews with CNA • Programmed documents (evaluation of proposals, monitoring reports, etc.) • Documentation on other EU programmes

Evaluation Question (EQ)	Judgement Criteria (JC)	Indicators	Sources of Information
the Programme outputs, outcomes and impacts?		<ul style="list-style-type: none"> • Key parameters regarding administrative procedures in place (grant selection criteria, disbursement of funds, monitoring of funded actions, etc.) • Key parameters regarding administrative procedures in other, similar EU-funded programmes 	
EQ#9 To what extent is the co-financing rate appropriate?	JC #9.1: Degree to which the mobilisation of co-financing is problematic JC #9.2: Degree to which different co-financing rates allow to focus on top priorities/themes	<ul style="list-style-type: none"> • Stakeholders' views (ability to mobilise co-financing, incentivisation of top priority actions) • Data on co-financing rates in other, similar EU-funded programmes 	<ul style="list-style-type: none"> • Interviews with CNA • Action documents (proposals and budgets) • Documentation on other EU programmes
EQ#10 To what extent are the actions and outputs of the Programme delivered at a reasonable cost?	JC #10.1: Degree of cost effectiveness of Programme outputs (actions) and outcomes	<ul style="list-style-type: none"> • Units costs for specific outputs/outcomes • Unit costs for specific outputs/outcomes in other, similar EU-funded programmes • Difference between budgeted and actual costs • Cost/benefit ratios for specific outputs/outcomes 	<ul style="list-style-type: none"> • Action documents (ex-ante budgets and financial reports, proposals and budgets) • Documentation on other EU programmes
EU added value			
EQ#11 To what extent does the Programme provide EU added value, within the meaning of Article 2 of Regulation 331?	JC #11.1: Degree to which the Programme has promoted transnational cooperation	<ul style="list-style-type: none"> • Stakeholders' views on the importance of the Programme in triggering transnational actions • Stakeholders' views regarding possible developments in case the Programme were to be discontinued 	<ul style="list-style-type: none"> • Interviews with CNA
Coherence			
EQ#12 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant initiatives and operations implemented by Member States?	JC #12.1: Degree of complementarity/overlap with national initiatives and operations	<ul style="list-style-type: none"> • Number, nature and scope of national initiatives and operations • Stakeholders' views (complementarity or overlap) 	<ul style="list-style-type: none"> • Documentation on national initiatives and operations (e.g. central banks' websites) • ECEG reports (minutes of meetings) • Interviews with CNA

Evaluation Question (EQ)	Judgement Criteria (JC)	Indicators	Sources of Information
EQ#13 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant capacity building initiatives implemented at the EU and international levels?	JC #13.1: Degree of complementarity/overlap with capacity building initiatives implemented by EC, ECB and Interpol	<ul style="list-style-type: none"> • Number, nature and scope of EC, ECB and Interpol capacity building initiatives • Stakeholders' views regarding complementarity or overlap 	<ul style="list-style-type: none"> • Documentation on EC, ECB and Interpol capacity building initiatives (e.g. annual reports) • Institutional interviews • ECEG reports (minutes of meetings) • Interviews with CNA and Supported Authorities
EQ#14 To what extent have the coordination and cooperation mechanisms in place for the Programme ensured consistency and complementarity with other relevant operational activities supported at the EU and international levels?	JC #14.1: Degree of complementarity with operational activities supported by Europol, Eurojust and Interpol	<ul style="list-style-type: none"> • Number, nature and scope of Europol, Eurojust and Interpol supported operational activities • Stakeholders' perceptions regarding complementarity 	<ul style="list-style-type: none"> • Documentation on Europol, Eurojust and Interpol operational activities (e.g. annual reports) • Institutional Interviews • ECEG reports (minutes of meetings) • Interviews with CNA and Supported Authorities
Sustainability			
EQ #15 To what extent are the results achieved (or likely to be achieved) sustainable?	JC #15.1: Degree of strategic commitment and level of availability of financial and (qualified) human resources within relevant institutions to sustain results achieved	<ul style="list-style-type: none"> • Sharing/transfer of information/knowledge skills acquired by participants in actions within their institutions • Stakeholders' views regarding prospects for sustainability (strategic commitment, availability/allocation of resources, external/contextual factors possibly influencing the achievement and sustainability of results, etc.) 	<ul style="list-style-type: none"> • Action documents (proposals, Technical Reports) • Interviews with Supported Authorities • Survey of participants

ANNEX C – LIST OF INSTITUTIONS INTERVIEWED

C.1 EU and International Institutions

- DG Economic and Financial Affairs – Unit C5: Mr. Johan Khouw, Mr. Luca Pierini, Mr. Daniel Boreel and Mrs. Kristin Siobhan Ennis
- DG Economic and Financial Affairs - European Technical and Scientific Centre (ETSC): Mr. Marco di Benedetto
- DG Migration and Home Affairs - Unit B2 (Organised Crime): Mr. Richard Caine
- DG Justice and Consumers - Unit B2 (Criminal Law): Ms. Claudia Korthals; Ms. Barbara Mentre; Ms. Sabine Tuerck; Mr. Heiko Wagner
- DG European Neighbourhood Policy And Enlargement Negotiations - Unit C3 (Institution Building): Mr. Daniel Rackowski
- European Anti-fraud Office: Mr. Pedro Andreo-Andreo
- European Central Bank: Mr. Armin Greif and Mr. Martin Münd
- Europol - Economic Crime and Forgery of Money Unit: Mrs. Farida Belghazi and Mr. Jeroen Peeters
- Eurojust: Mr. Dimităr Hadzhiyski
- Interpol - Counterfeit Currency & Security Documents Branch: Mrs. Daniela Djidrovska
- Central Bank Counterfeit Deterrence Group: Mr. Luca Tagliaretti

C.2 CNA – Implementers

Bulgaria

- Bulgarian National Bank: Mr. Krasimir Kostadinov

Croatia

- Croatian National Bank: Mrs. Petra Poldrugáč and Mrs. Martina Skenderović Božičević

France

- Direction Centrale de la Police Judiciaire - Office Central pour la Répression du Faux Monnayage : Mr. Fabien Lang
- Monnaie de Paris: Mr. Pascal Rencker
- Banque de France: Mrs. Marie-Christine Demaldent

Germany

- Landeskriminalamt Berlin: Mr. Alexander Maaß, Mrs. Sabine Thalmann and Mr. Michael Prost

Italy

- Banca d'Italia: Mr. Fabrizio Fortunato and Mrs. Tiziana Torres
- Comando Carabinieri Antifalsificazione Monetaria: Col. Francesco Ferace and Captain Stefano Bezzecheri
- Ufficio Centrale Antifrode Mezzi di Pagamento: Mr Antonio Adinolfi, Col. Luigi Macchia, Col. Federico Romi and Mr. Augusto Santori
- Ufficio Centrale Italiano del Falso Monetario: Col. Piero Maraffa and Mr. Sandro Ciamarone

Spain

- Banco de España: Mrs. Carmen Alamo Urbina
- Brigada de Investigación del Banco de España: Mr. Jose Luis Fernandez Gudiña and Mr. Juan F. Bañuelos Fernandez

C.3 CNA - Former Implementers

Austria

- Bundesministerium für Inneres, Bundeskriminalamt: Mr. Markus Angerer and Mr. Gerald Boden

Belgium

- Police fédérale, Office central de la répression du faux monnayage : Mr. Pascal Roland and Mrs. Irina Dabaca
- Monnaie Royale de Belgique: Mr. Peter Vanhove

Germany

- Bundeskriminalamt (BKA) Wiesbaden: Mrs. Carmen Buchholz and Mr. Leo Kleinhans

- Bayerisches Landeskriminalamt (BLKA): Mr. Artur Neuerburg and Mr. José Walter Ruiz Zambrano

Greece

- Hellenic Police: Mr. Theodoros Karachanidis

Hungary

- Magyar Nemzeti Bank: Mrs. Barbara Réthy and Mr. Tibor Pataki

Poland

- Narodowy Bank Polski: Mr. Juliusz Michal Dobrolecki
- Komenda Główna Policji: Mr. Jacek Walaszczyk and Mrs. Ewa Michalska

Portugal

- Polícia Judiciária - Laboratorio de Policia Cientifica: Mr. Manuel Jose Coimbra Mourato and Mrs. Patricia Silveira
- Banco de Portugal - Treasury and Issue Department: Mr. Nuno Miguel Moreira and Mr. António A. Oliveira

Romania

- General Inspectorate of Romanian Police: Mr. Mihai Daniel Dina

C.4 CNA - Non-Applicants

Cyprus

- The Cyprus Police Forensic Science Laboratory: Mr. Christakis Antoniou

Czech Republic

- Policie České Republiky: Mr. František Kadavy and Col. Marek Svátek

Denmark

- Rigspolitiet - Nationalt Efterforsknings Center: Mr. Steen Troels Jensen

Finland

- Central Bank: Mrs. Anne Hedman

Germany

- Deutsche Bundesbank – Falschgeldstelle: Mr. Dierk Dominicus

Latvia

- Bank of Latvia: Mr. Andris Taurins, Mr. Aleksandrs Antins and Mr. Elmars Berzins

Luxembourg

- Banque Centrale de Luxembourg: Mr. Darius Zasas

Slovenia

- Slovenian Police - Oddelek za preiskave dokumentov: Mrs. Nataša Žener
- Banka Slovenije: Mrs. Nives Kupic

Sweden

- Rikskriminalpolisen - Kriminalpolisenheten – Finanspolisen: Mr. Christian Söderström

United Kingdom

- National Central Office for the Suppression of Counterfeit Currency - National Crime Agency: Mr. John Bradshaw

C.5 CNA - Unsuccessful Applicants

France

- Banque de France: Mrs. Marie-Christine Demaldent

C.6 Supported Authorities

Albania

- Bank of Albania: Mr. Artur Bejko and Mr. Aranit Bajri

Montenegro

- Central Bank of Montenegro: Mr. Dejan Levičar

Kosovo

- Central Bank of the Republic of Kosovo: Mr. Jeton Bajramaj
- Kosovo Police: Mr. Emin Beqiri

Armenia

- National Central Bureau of Interpol: Mrs. Alla Makaryan

Georgia

- National Bank of Georgia: Mr. Giorgi Beridze

Morocco

- Bank Al-Maghrib: M. Zouhair Touiyemi, M. Adil Zaamoun and M. Mouhcine Naji
- Ministry of Interior/Moroccan Police: M. Abderrahmane Ellamtouni and Mme. Samira Moukane

Tunisia

- Tunisia Police: M. Hassen Dhiflaoui

Peru

- Banco Central de Reserva del Perú: Mr. Victor Manuel Tello Mejia

Colombia

- Fiscalía General de la Nación: Mr. Bernardo Perez Perez and Mrs. Liliana Stella Torrente Cubillios
- Cuerpo Técnico de Investigación: Mr. Nelson Oliveros Cruz

ANNEX D – QUESTIONNAIRES FOR INTERVIEWS

D.1 Introduction

In this Annex, we present the questionnaires used for the interviews with: (i) Implementers; (ii) Former Implementers; (iii) Non Applicants; and (iv) Supported Authorities.

It is important to note that the questionnaires presented in this Annex were developed in the early stages of this Evaluation, when Implementers were labelled 'Beneficiaries' and, similarly, 'Former Implementers' were named 'Former Beneficiaries'. The questionnaires presented here still reflect the 'old' terminology.

D.2 Questionnaire for Interviews with 'Beneficiaries'

This interview is carried out in the framework of the **Mid-Term Evaluation of the Pericles 2020 Programme** (the 'Evaluation'), which has been commissioned by the European Commission - Directorate General for Economic and Financial Affairs (DG ECFIN).

The Evaluation is aimed at assessing the results achieved by the Programme since its launch in 2014 as well as to assess the appropriateness of the Programme's management structure and operational procedures, in order to provide recommendations on possible improvements for future activities.

Your institution received [X] grant[s] from the Pericles 2020 Programme to implement the action[s] listed below. This interview largely focuses on your experience as implementer of [this action/these actions], although it also covers selected aspects concerning the problem of euro counterfeiting, the strategic orientations of Pericles 2020, and the complementarity of the Programme with other initiatives.

The interview is expected to last between 60 and 90 minutes. We are fully aware that this constitutes a significant investment of your time and we thank you in advance for your kind cooperation.

Important: the information provided and the opinions expressed during this interview will be treated as strictly confidential and will not be disclosed to any third party. All the information collected through the interview will be presented in an aggregate manner and/or will be duly anonymized so as to render the identification of interviewees impossible.

Institution Interviewed For the interviewer: to be pre-filled

Name of Institution	
Country	
Type of Institution (tick one)	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
	Monetary authority (Central Bank, Mint)
	Judiciary authority (Ministry of Justice, Prosecutor's Office, Court, etc.)
	Other public entity (specify)
Function(s) discharged (tick all that apply)	National Central Office (within the meaning of the Geneva Convention)
	National Analysis Center (protection of euro banknotes)
	Coin National Analysis Center (protection of euro coins)

Pericles 2020 Actions Implemented For the interviewer: to be pre-filled

[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]

Interview

Date and time of interview	
Location of interview	
Name of interviewee(s)	
Position of interviewee(s)	
Contact details of interviewee(s)	
Interviewer	

Section 1 - Euro Counterfeiting and Justification for the Pericles 2020 Programme

Q1.1 In your opinion, how widespread is the phenomenon of euro counterfeiting in your country and at the EU level? How serious is the problem perceived to be? And why? **Please provide your views. EQ#1**

Q1.2 In your opinion, how is the phenomenon of euro counterfeiting expected to evolve in the medium term (i.e. until 2020)? Is the problem expected to become more or less severe? What are the driving forces? **Please provide your views. EQ#1**

Q1.3 Overall, how would you assess the current situation and future prospects regarding euro counterfeiting in your country? **Please tick one for each sub-question EQ#1**

Q1.3.1 Severity of the problem at present		Q1.3.2 Expected evolution of the problem in the future	
<input type="checkbox"/>	Euro counterfeiting is a very serious problem	<input type="checkbox"/>	The problem will become much more serious
<input type="checkbox"/>	Euro counterfeiting is a serious problem	<input type="checkbox"/>	The problem will become more serious
<input type="checkbox"/>	Euro counterfeiting is a moderate problem	<input type="checkbox"/>	The situation will not change
<input type="checkbox"/>	Euro counterfeiting is a marginal problem	<input type="checkbox"/>	The problem will become less serious
<input type="checkbox"/>	Euro counterfeiting is not a problem	<input type="checkbox"/>	The problem will become much less serious

Pericles 2020 aims at protecting the euro (i.e. at supporting the prevention of and the fight against euro counterfeiting and related fraud) by enhancing the capacity of relevant authorities in both EU Member States and Third Countries (i.e. countries outside the EU). This is done by promoting greater awareness regarding the threat, promoting closer and more regular cooperation among relevant authorities, facilitating the dissemination of best practices, providing training, and supporting the adoption of improved methods (for the prevention, detection and repression of counterfeiting).

Q1.4 Given your assessment of the euro counterfeiting problem provided above, in your opinion is there still a need to strengthen the capacity of relevant authorities in EU Members States? Which are the most pressing needs? **Please provide your views EQ#2**

Q1.5 And what about the need for strengthening capacity in Third Countries? Which are the most pressing needs? **Please provide your views EQ#2**

Q1.6 All things considered, what is your overall assessment of the need to strengthen capacity in relevant institutions? **Please, tick one for each sub-question EQ#2**

Q1.6.1 Need to strengthen capacity in EU Member States		Q1.6.2 Need to strengthen capacity in Third Countries	
<input type="checkbox"/>	Strong need	<input type="checkbox"/>	Strong need
<input type="checkbox"/>	Moderate need	<input type="checkbox"/>	Moderate need
<input type="checkbox"/>	Limited need	<input type="checkbox"/>	Limited need
<input type="checkbox"/>	No need at all	<input type="checkbox"/>	No need at all

Section 2 – Priorities, Actions and Target Groups of Pericles 2020

Since the launch of the Programme in 2014, the activities of Pericles 2020 have been focusing on the following priorities:

- supporting improved cooperation among Member States that are particularly affected by the production and/or distribution of counterfeits (namely Italy, Spain, France, and Germany);
- maintaining an efficient framework for the protection of the euro in South Eastern Europe and Turkey;
- fostering cooperation with authorities of those Third Countries where there is suspicion of or evidence for counterfeit euro production (Latin America, Maghreb, China);
- addressing new developments in euro counterfeiting (new security features or authentication methods, distribution on the internet, technical developments in coin processing industry, etc.).

Q2.1 In your opinion, to what extent are the above priorities relevant to achieve the objective of enhanced euro protection? **Please tick one for each sub-question EQ#3**

	Pericles 2020 priorities	Not relevant	Marginally relevant	Somewhat relevant	Very relevant
Q2.1.1	Supporting improved cooperation among MS particularly affected by euro counterfeit				
Q2.1.2	Maintaining an efficient framework for the protection of the euro in South Eastern Europe and Turkey				
Q2.1.3	Fostering cooperation with authorities of third countries				
Q2.1.4	Addressing new developments in euro counterfeiting				

Q2.2 Are there other concerns/themes that you regard important and that, in your opinion, should be included among Pericles 2020 priorities? **Please provide your views EQ#3**

Pericles 2020 provides financing for five types of actions, namely:

- Awareness raising and networking events, such as conferences and seminars;
- Training courses/workshops on euro protection methods;
- Studies on anti-counterfeiting topics;
- Staff exchanges among relevant authorities in different countries (both within and outside the EU);
- Purchase of equipment to be used by specialized anti-counterfeiting authorities in Third Countries.

Q2.3 In your opinion, to what extent are the above types of actions useful to achieve the objective of enhanced euro protection? **Please tick one for each sub-question EQ#4**

	Typology of Actions	Not useful	Marginally useful	Somewhat useful	Very useful
Q2.3.1	Conferences and seminars				
Q2.3.2	Training courses/workshops on euro protection methods				
Q2.3.3	Studies on anti-counterfeiting topics				
Q2.3.4	Staff exchange among relevant authorities in different countries				
Q2.3.5	Purchase of equipment for Third Countries' authorities				

Q2.4 In your opinion, are there other types of actions that could be useful to achieve the objective of enhanced euro protection? **Please provide your views EQ#4**

Pericles 2020 adopts a multidisciplinary approach and the actions financed by the Programme are aimed at supporting various 'target groups', namely:

- Law enforcement authorities (police, customs, ministries of interior, intelligence personnel);
- Monetary authorities (national central banks, mints);
- Judiciary authorities (ministries of justice, judges, prosecutors);

- Commercial banks and other financial sector operators (money exchange, money transport, etc.);
- Other private sector organizations (professional associations, etc.).

Q2.5 In your opinion, is this multidisciplinary approach well aligned with the objective of enhancing euro protection? Or would you prefer a more focused approach? **Please provide your views EQ#4**

Q2.6 In your opinion, are there other 'target groups' (i.e. other categories of professionals or types of institutions) that should be involved in future Pericles 2020 actions? **Please provide your views EQ#4**

Section 3 – Applying for and Implementing Pericles 2020 Actions

We are interested in learning about your experience in applying for and implementing the Pericles 2020 actions mentioned at the beginning of this interview. One of the aims of the Evaluation of Pericles 2020 is to investigate the scope for simplification in administrative procedures and your views on the subject are extremely valuable.

Q3.1 What were the main motivation(s) for your institution when applying for Pericles 2020 funding (e.g. needed to strengthen capacity on part of relevant institutions regarding a specific theme, promote cooperation with other countries, etc.)? **Please provide your views EQ#2**

Q3.2 What has your experience in applying and implementing Pericles 2020 actions been like? Have you faced any problems? If yes, at what stage (application, implementation, post-implementation)? **Please provide your views EQ#8**

Q3.2.1 Application stage

Q3.2.2 Implementation stage

Q3.2.3 Post-implementation stage (i.e. reporting and closure)

Q3.3 More specifically, what has your experience with the application stage been? How easy or difficult has it been to. **Please tick one for each sub-question EQ#8 & EQ#10**

	Types of possible problems encountered	Very difficult	Difficult	Neither difficult nor easy	Easy	Very easy
Q3.3.1	.. mobilize the <u>human resources</u> required to prepare the application package?					
Q3.3.2	.. <u>establish contacts</u> with prospective participants in Member States and/or in Third Countries?					
Q3.3.3	.. develop a <u>work plan/methodology</u> aligned with the requirements spelled out in the Calls for Proposals?					
Q3.3.4	.. collect the <u>information on costs</u> required to prepare the budget?					
Q3.3.5	.. secure the <u>money required to complement the Pericles 2020 grant</u> ?					
Q3.3.6	.. other (please specify)					

Q3.4 Can you provide an estimate of the average staff/time required to prepare the proposal? **Please indicate the approximate number of staff/days EQ#8**

Average staff/time:

Q3.5 What has your experience with the implementation and post implementation stages been? How easy or difficult has it been to. **Please tick one for each sub-question EQ#8**

	Types of possible problems encountered	Very difficult	Difficult	Neither difficult nor easy	Easy	Very easy
Q3.5.1	.. secure the <u>actual presence</u> of participants from Member States and/or Third Countries?					
Q3.5.2	.. handle the <u>logistical aspects</u> of the action (travel, accommodation, interpretation, etc.)?					
Q3.5.3	.. keep track of the <u>expenses & invoices</u> and prepare the financial report?					
Q3.5.4	.. mobilize the <u>human resources</u> required to prepare the technical report?					
Q3.5.5	.. other (please specify)					

Q3.6 At the various stages of the process (application, implementation, post-implementation) did you rely on the assistance of relevant DG ECFIN staff for clarifications (e.g. on certain aspects of the calls for Proposals or on cost eligibility)? **Please tick one EQ#8**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Q3.7 If Yes, were your request(s) for clarification(s) appropriately and timely answered by DG ECFIN staff? **Please provide your views EQ#8**

Q3.8 What is your overall assessment of the assistance received from relevant DG ECFIN staff? **Please tick one EQ#8**

<input type="checkbox"/>	Very helpful
<input type="checkbox"/>	Helpful
<input type="checkbox"/>	Neutral (neither helpful nor unhelpful)
<input type="checkbox"/>	Unhelpful
<input type="checkbox"/>	Very unhelpful
<input type="checkbox"/>	Don't know/cannot assess because did not ask for any assistance

The procedures adopted for Pericles 2020 are somewhat different from those used for its predecessor, the Pericles programme in operation until 2013. The main changes concern: (i) different criteria for the inclusion of VAT among eligible costs; (ii) a broader definition of eligible costs (e.g. the eligibility of costs for local transportation or the rental of venues); and (iii) the possibility of obtaining a higher grant (up to 90% in certain cases, compared with the previous maximum of 80%).

Q3.9 What is your opinion regarding the above-mentioned changes in procedures? How helpful/unhelpful were they compared with the situation prevailing under the previous Pericles programme? **Please provide your views EQ#8**

For the interviewer: Monnaie de Paris, Landeskriminalamt Berlin, and Banco de España may not be in the position to properly answer this question as they did not receive any grant under Pericles. In case of hesitation, skip and go to the next question.

Q3.10 What is your overall assessment of the above-mentioned changes in procedures? **Please tick one EQ#8**

<input type="checkbox"/>	Very helpful
<input type="checkbox"/>	Helpful
<input type="checkbox"/>	Neutral (neither helpful nor unhelpful)
<input type="checkbox"/>	Unhelpful
<input type="checkbox"/>	Very unhelpful
<input type="checkbox"/>	Don't know/cannot compare with previous situation in Pericles

Q3.11 Are there additional improvements that you would like to be introduced in the administrative and financial arrangements for Pericles 2020 actions? **Please tick one EQ#8**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Q3.12 If Yes, which changes would you like to see introduced? **Please provide your views EQ#8**

For the interviewer: the question above is left 'open' in order to avoid any bias. Once the interviewee has expressed his/her spontaneous views, probe with reference to the following possible changes: (i) introduction of fixed rates for travel costs and accommodation costs, which would eliminate the need to obtain detailed estimates of travel costs at the application stage (used by Eurojust for the JIT); (ii) elimination of the need to annex to the financial report the documentation demonstrating expenses, which could be kept by the institutions (also used by Eurojust for the JIT); (iii) the intensification of contacts with DG ECFIN, through the organization of a workshop on procedures (as it was done for the 'old' Pericles) and/or visits to the institution; and (iv) the possibility of submitting the application on-line (now used for Horizon 2020 grants). Do not discuss: (v) increase in the frequency of calls for proposals; and (vi) increase in the grant rate/advance payment, unless these aspects are spontaneously raised by the interviewee. Once all the aspects have been raised, ask the interviewee to prioritize by selecting the single most important change (question below).

Q3.13 In your opinion, which would be the single most important change? **Please provide your views EQ#8**

Q3.14 Irrespective of possible changes in the administrative and financial arrangements, do you expect your institution to apply for the implementation of additional Pericles 2020 actions in the near future? **Please tick one EQ#2**

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Section 4 - Results of the Participation in Pericles 2020 Actions

Q4.1 In your opinion, what have the main benefits been for your institution from the implementation of Pericles 2020 actions (e.g. improved contacts, acquisition of new information or knowledge, etc.)? **Please provide your views. For the interviewer: the interviewee may also have participated in Pericles 2020 actions implemented by other CNA. In case, takes this into consideration EQ#6**

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Q4.2 In particular, to what extent has your participation in the above Pericles 2020 actions resulted in .. **Please tick one for each sub-question EQ#6**

	Types of Results Achieved	Not at all	To a limited extent	To some extent	To a large extent
Q4.2.2	.. a closer and more regular <u>cooperation</u> with other relevant authorities in <u>Member States</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q4.2.3	.. a closer and more regular <u>cooperation</u> with other relevant authorities in <u>Third Countries</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q4.2.4	.. an <u>improvement in the operational capabilities of your staff</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q4.2.5	.. the adoption of <u>improved methods</u> concerning the prevention and/or detection and/or repression of euro counterfeiting?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q4.2.6	.. any <u>other improvement in capacity</u> ? (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

According to the Regulation establishing Pericles 2020, the effectiveness of the Programme is to be measured in terms of four indicators, namely: the number of counterfeits detected, illegal workshops dismantled, individuals arrested and penalties imposed.

Q4.3 In your opinion, how strong or weak is the linkage between the participation in Pericles 2020 actions and the above indicators? In other words, to what extent can improvements in these indicators indeed be attributed to Pericles 2020? Are there other factors at play? **Please provide your views EQ#7**

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Q4.4 Can you provide one or more concrete examples of how the participation of your institution in Pericles 2020 actions has contributed to tangible positive results in the prevention of and/or fight against the counterfeiting of the euro and related fraud? (e.g. seizure of illegal mints, strengthening of procedures in commercial banks, identification of smugglers of counterfeited euros, etc.)? **If Yes, please provide details EQ#7**

--

Section 5 – Complementarity of Pericles 2020 with Other Initiatives for the Protection of the Euro

Pericles 2020 is intended to complement and not replace other initiatives aimed at protecting the euro implemented at the national, EU and international levels by Member States, the European Commission, the European Central Bank (ECB), other EU institutions (Europol and Eurojust), and Interpol.

Q5.1 Are you aware of other capacity building and/or operational initiatives financed by other entities? If Yes, has your institution participated in ... **Please tick one for each of the following sub-questions EQ#12, EQ#13 & EQ#14**

	Type of euro protection initiatives	Aware?		Participated?		
		Yes	No	Yes	No	Don't know
Q5.1.1	... <u>national initiatives</u> (e.g. training on authentication methods implemented by Central Banks or banking associations)?					
Q5.1.2	... <u>other EC capacity building initiatives implemented in the EU</u> (e.g. through the Internal Security Fund - Police)?					
Q5.1.3	... <u>other EC capacity buildings initiatives implemented in Third Countries</u> (e.g. TAIEX workshops/visits or twinning projects)?					
Q5.1.4	... <u>initiatives of the European Central Bank</u> (e.g. concerning the prevention and detection of counterfeiting)?					
Q5.1.5	... <u>Europol</u> operational initiatives (e.g. intelligence gathering and operational support to investigations)?					
Q5.1.6	... <u>Eurojust</u> operational initiatives (e.g. financial support for Joint Investigation Teams)?					
Q5.1.7	... <u>Interpol</u> initiatives (e.g. Project S-Print and training activities)					
Q5.1.8	... <u>other capacity building or operational initiatives implemented by other bodies?</u> (please specify)					

For the interviewer: the interviewee may well not be aware of all the above initiatives. In case the interviewee hesitates, do not insist and go the next one.

Q5.2 If you answer is 'Yes' to any of the above, in your opinion, to what extent do the actions financed by Pericles 2020 effectively complement other capacity building and/or operational initiatives? Is there any overlapping? Are there themes that remain not sufficiently addressed??

Please provide your views EQ#12, EQ#13 & EQ#14

Q5.2.1 National initiatives
Q5.2.2 Other European Commission initiatives in the EU
Q5.2.3 Other European Commission initiatives in Third Countries
Q5.2.4 Initiatives of the European Central Bank
Q5.2.5 Europol initiatives
Q5.2.6 Eurojust initiatives
Q5.2.7 Interpol initiatives
Q5.2.8 Initiatives implemented by other bodies

Q5.3 All things considered, what is your overall assessment of Pericles 2020's complementarity with other existing initiatives aimed at improving euro protection? **Please tick one EQ#12, EQ#13 & EQ#14**

<input type="checkbox"/>	Very positive
<input type="checkbox"/>	Positive
<input type="checkbox"/>	Neutral (neither positive nor negative)
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Very negative

Q5.4 If your assessment is 'Very negative' or 'Negative', what changes would you like to suggest to improve the situation? **Please provide your views EQ#12, EQ#13 & EQ#14**

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Section 6 - Overall Assessment

Q6.1 Without the financial support received from the Pericles 2020, would your institution have been able to implement the transnational actions mentioned in the beginning of this interview?

Please tick one EQ#11

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Q6.2 If, for whatever reason, Pericles 2020 were to be discontinued, which would be the consequences (e.g. would your institution be able to conduct similar transnational actions)?

Please provide your views EQ#11

For the interviewer: we are trying to understand whether or not the institution would nevertheless be able to conduct similar transnational actions. Try to differentiate between the 'weight' of Pericles 2020 financial support and the 'weight' of an EU programme in providing visibility for the action and attracting participation from various countries.

Q6.3 All things considered, what is your overall assessment of the participation of your institution in the Pericles 2020 programme? **GENERAL ASSESSMENT**

<input type="checkbox"/>	Very positive
<input type="checkbox"/>	Positive
<input type="checkbox"/>	Neutral (neither positive nor negative)
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Very negative

The interview ends here. Please use the space below to provide any additional comment(s) and/or formulate any suggestion(s) that you may deem useful.

THANK YOU VERY MUCH FOR YOUR COLLABORATION

D.3 Questionnaire for Interviews with 'Supported Authorities'

This interview is carried out in the framework of the **Mid-Term Evaluation of the Pericles 2020 Programme** (the 'Evaluation'), which has been commissioned by the European Commission - Directorate General for Economic and Financial Affairs (DG ECFIN).

The Evaluation is aimed at assessing the results achieved by the Programme since its launch in 2014 as well as to assess the appropriateness of the Programme's management structure and operational procedures, in order to provide recommendations on possible improvements for future activities.

Your institution has been actively involved in the initiative[s] financed by the Pericles 2020 Programme listed below. This interview focuses on your experience in participating in [this/these] initiative(s). In particular, we are interested in learning about the results achieved through your participation in [this/these] initiative(s), in terms of increased capacity to protect the euro against counterfeit and related fraud.

The interview is expected to last between 45 and 60 minutes. We thank you in advance for your kind cooperation.

Important: the information provided and the opinions expressed during this interview will be treated as strictly confidential and will not be disclosed to any third party. All the information collected through the interview will be presented in an aggregate manner and/or will be duly anonymized so as to render the identification of interviewees impossible.

Institution Interviewed For the interviewer: to be pre-filled

Name of Institution	
Country	
Type of Institution (tick one)	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
	Monetary authority (Central Bank, Mint)
	Judiciary authority (Ministry of Justice, Prosecutor's Office, Court, etc.)
	Other public entity (specify)
Function(s) discharged (tick all that apply)	National Central Office (within the meaning of the Geneva Convention)
	National Analysis Center (protection of euro banknotes)
	Coin National Analysis Center (protection of euro coins)

Pericles 2020 Actions Supporting Your Institution For the interviewer: to be pre-filled

[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]

Interview

Date and time of interview	
Location of interview	
Name of interviewee(s)	
Position of interviewee(s)	
Contact details of interviewee(s)	
Interviewer	

Section 1 – Motivations and Results of the Participation in Pericles 2020 Initiatives

Q1.1 What were the main motivation(s) for the participation of your institution in the Pericles 2020 initiative(s) (e.g. improve contacts with EU counterparts, acquire new information, address the growing problem of euro counterfeiting in your country, etc.)? **Please provide your views EQ#1 & EQ#2**

--

Q1.2 To what extent were the initial expectations actually met? In particular, to what extent the staff of your institution participating in in the Pericles 2020 initiative(s) were able to ... **Please tick one for each of the following sub-questions EQ#6**

		Not at all	To a limited extent	To some extent	To a large extent
Q1.2.1	... improve the <u>general understanding</u> of issues linked to the euro counterfeiting?				
Q1.2.2	... establish <u>contacts</u> with other people involved in the protection of the euro in <u>EU Member States</u> ??				
Q1.2.3	... establish <u>contacts</u> with other people involved in the protection of the euro in <u>non-EU countries</u> ?				
Q1.2.4	... learn about <u>best practices</u> in the prevention and/or detection and/or repression of euro counterfeiting?				
Q1.2.5	... acquire <u>practical skills</u> for the prevention, detection and repression of euro counterfeiting?				
Q1.2.6	... other (please specify)				

Q1.3 Have the contacts developed and/or the information/knowledge/skills acquired through the participation in the Pericles 2020 action(s) actually been put in practice? Where their factors limiting or incentivizing their utilization? **Please provide your views EQ#6**

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Q1.4 Overall, to what extent has the participation of your institution in the Pericles 2020 initiative(s) resulted in .. **Please tick one for each sub-question EQ#6**

		Not at all	To a limited extent	To some extent	To a large extent
Q1.4.1	.. a closer and more regular <u>cooperation</u> with other institutions involved in the protection of the euro in <u>EU Member States</u> ?				
Q1.4.2	.. a closer and more regular <u>cooperation</u> with other institutions involved in the protection of the euro in <u>non-EU countries</u> ?				
Q1.4.3	.. an improvement in the <u>operational capabilities of your staff</u> ?				
Q1.4.2	.. the adoption of <u>improved methods</u> concerning the prevention and/or detection and/or repression of euro counterfeiting?				
Q1.4.5	.. any <u>other improvement in capacity</u> ? (please specify)				

Q1.5 Since the participation in the Pericles 2020 initiative(s), how has the involvement of your institution in euro protection activities evolved? **Please tick one EQ#6**

	The involvement of my institution euro protection activities has increased
	The involvement of my institution euro protection activities has remained broadly the same
	The involvement of my institution euro protection activities has declined

Q1.6 Can you provide one or more concrete examples of how the participation of your institution in Pericles 2020 initiative(s) has contributed to tangible positive results in the prevention of and/or fight against the counterfeiting of the euro and related fraud? (e.g. seizure of illegal mints, strengthening of procedures in commercial banks, identification of smugglers of counterfeited euros, etc.)? **If Yes, please provide details EQ#6 & EQ#7**

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Section 2 - Dissemination and Continued Utilization of Results

Q2.1 Have the staff of your institutions been able to share with/transfer to other colleagues at least some of the contacts developed and/or the information/knowledge/skills acquired through the participation in the Pericles 2020 initiative(s)? **Please tick one EQ#6 & EQ#15**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Q2.2 If Yes, how was this done? In particular, have the staff participating in the Pericles 2020 initiative(s) ... **Please tick one for each of the following sub-questions EQ#6 & EQ#15**

		Yes	No	Don't know
Q2.2.1	... <u>distributed materials</u> received through the initiative(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q2.2.2	... prepared a <u>report or memo</u> on the initiative(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q2.2.3	... made a <u>presentation</u> at an internal workshop?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q2.2.4	... delivered a formal <u>training course</u> ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q2.2.5	... transferred contacts/information/knowledge/skills <u>informally during regular operational activities</u> (e.g. during investigations)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q2.2.6	... carried out any other dissemination activity(ies)? (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q2.3 If the staff participating in the Pericles 2020 initiative(s) have (i) made a presentation at an internal workshop, and/or (ii) delivered a training course, how many people were involved? **Please indicate the approximate number of the staff attending EQ#6 & EQ#15**

Q2.4 To what extent are the staff who participated in the Pericles 2020 initiative(s) still working for your institution? **Please tick one EQ#15**

<input type="checkbox"/>	To a large extent (all or nearly all still working for the institution)
<input type="checkbox"/>	To some extent (some have left, but the majority are still working for the institution)
<input type="checkbox"/>	To a limited extent (many have left and only a minority are still working for the institution)
<input type="checkbox"/>	Not at all (all or nearly all have left the institution)

Q2.5 If the answer is 'To a limited extent' or 'Not at all', what are the main reasons that led the staff of your institution to leave? **Please provide your views EQ#15**

Q2.6 Are there any factors that may limit the continued future utilization of the contacts developed and/or the information/knowledge/skills acquired through the participation in the Pericles 2020 action(s)? **Please provide your views EQ#15**

Section 3 – Complementarity of Pericles 2020 with Other Initiatives for the Protection of the Euro

Pericles 2020 is intended to complement and not to replace other initiatives aimed at protecting the euro implemented by the European Commission, other EU institutions (European Central Bank, Europol, Eurojust), and international bodies (Interpol). **For the interviewer: this section is likely to be relevant primarily for institutions in the Balkans/Accession Countries, as countries in other regions are unlikely to have benefitted from any EU programme. In the case of institutions in Latin America and Africa it is nonetheless useful the get an idea of the complementarity with Interpol initiatives.**

Q3.1 Since 2014, has your institution participated in capacity building and/or operational initiatives financed by ... **Please tick one for each of the following sub-questions EQ#13 & EQ#14**

		Yes	No	Don't know
Q3.1.1.	... the <u>European Commission</u> (e.g. TAIEX workshops/visits and/or twinning projects)?			
Q3.1.2	... the <u>European Central Bank</u> (e.g. concerning the prevention and detection of counterfeiting)?			
Q3.1.3	... <u>Europol</u> (e.g. intelligence gathering and operational support to investigations)?			
Q3.1.4	... <u>Eurojust</u> (e.g. financial support for Joint Investigation Teams)?			
Q3.1.5	... <u>Interpol</u> (e.g. Project S-Print and training activities)			
Q3.1.6	... <u>other bodies</u> (please specify)			

Q3.2 If you answer is 'Yes' to any of the above, in your opinion, to what extent do the actions financed by Pericles 2020 effectively complement other capacity building and/or operational initiatives? Is there any overlapping? Are there themes that remain not sufficiently addressed?

Please provide your views EQ#13 & EQ#14

European Commission initiatives
European Central Bank
Europol
Eurojust
Interpol

Q3.3 All things considered, what is your overall assessment of Pericles 2020's complementarity with other existing initiatives aimed at improving euro protection? **Please tick one EQ#13 & EQ#14**

<input type="checkbox"/>	Very positive
<input type="checkbox"/>	Positive
<input type="checkbox"/>	Neutral (neither positive nor negative)
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Very negative

Q3.4 If your assessment is 'Very negative' or 'Negative', what changes would you like to suggest to improve the situation? **Please provide your views EQ#13 & EQ#14**

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Section 4 - Overall Assessment

Q4.1 All things considered, what is your overall assessment of the participation of your institution in the Pericles 2020 initiative(s)? **Please tick one GENERAL ASSESSMENT**

<input type="checkbox"/>	Very positive
<input type="checkbox"/>	Positive
<input type="checkbox"/>	Neutral (neither positive nor negative)
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Very negative

Q4.2 Which were the aspects that you appreciated the most and the least? **Please provide your views GENERAL ASSESSMENT**

Q4.2.1 Most appreciated	Q4.2.2 Least appreciated
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Q4.3 Given the opportunity, do you think that your institution would be interested in participating in additional Pericles 2020 initiatives? **Please tick one EQ#2**

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Uncertain
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Q4.4 If you answer is 'Definitely yes' or 'Probably yes', which type(s) of initiative(s) (e.g. training, staff exchange, conference, etc.) would you be most interested in? And concerning which topic(s)? **Please provide your views EQ#2 & EQ#4**

The interview ends here. Please use the space below to provide any additional comment(s) and/or formulate any suggestion(s) that you may deem useful.

THANK YOU VERY MUCH FOR YOUR COLLABORATION

D.4 Questionnaire for Interviews with ‘Former Beneficiaries’

This interview is carried out in the framework of the **Mid-Term Evaluation of the Pericles 2020 Programme** (the ‘Evaluation’), commissioned by the European Commission - Directorate General for Economic and Financial Affairs (DG ECFIN).

Pericles 2020 is a European Union (EU) programme aimed at preventing and combating the counterfeiting of euro banknotes and coins and related fraud. The Programme is intended to complement the measures implemented by EU Member States and adopts a transnational approach, seeking to foster cooperation among various authorities in different countries. This is achieved inter alia by the provision of grants to Competent National Authorities (CNA) to co-finance the implementation of staff exchanges, conferences/seminars, trainings and studies. Grants are provided on the basis of applications submitted by CNA on the basis of periodical calls for proposals. Pericles 2020 was launched in 2014 and is managed by DG ECFIN. It follows up the previous Pericles programme that was managed by OLAF and implemented over the 2006 – 2013 period.

The Evaluation is aimed at assessing the results achieved by the Programme as well as the appropriateness of the Programme’s management and operational procedures, in order to provide recommendations on possible improvements for future activities.

Your institution received grant funding under the OLAF-managed Pericles programme (see list below), but has not yet submitted any application for grants under the current Pericles 2020 Programme. This interview is primarily aimed at understanding the reasons for your decision not to apply. The interview is expected to last between 30 and 45 minutes. We thank you in advance for your time.

Important: the information provided and the opinions expressed during this interview will be treated as strictly confidential and will not be disclosed to any third party. All the information collected through the interview will be presented in an aggregate manner and/or will be duly anonymized so as to render the identification of respondents impossible.

Institution Interviewed For the interviewer: to be pre-filled

Name of Institution	
Country	
Type of Institution (tick one)	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
	Monetary authority (Central Bank, Mint)
	Judiciary authority (Ministry of Justice, Prosecutor’s Office, Court, etc.)
	Other public entity (specify
Function(s) discharged (tick all that apply)	National Counterfeit Office (within the meaning of the Geneva Convention)
	National Analysis Center (protection of euro banknotes)
	Coin National Analysis Center (protection of euro coins)

Pericles Actions Implemented For the interviewer: to be pre-filled

[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]
[Date/Period]	[Title and type of action]

Interview

Date and time of interview	
Location of interview	
Name of interviewee(s)	
Position of interviewee(s)	
Contact details of interviewee(s)	
Interviewer	

Section 1 – Knowledge of the Pericles 2020 Programme

In order participate in Pericles 2020, one obviously needs to have appropriate knowledge of its key features. We are interested in knowing whether you feel sufficiently well informed and what are you sources of information (if any).

Q1.1 How well are you informed about Pericles 2020? Are you familiar with its objectives, priorities, and instruments? And what about the Programme’s management and administrative procedures? **Please tick one for each sub-question EQ#8**

Q1.1.1 Knowledge of objectives, priorities, main instruments		Q1.1.2 Knowledge of management and administrative procedures	
<input type="checkbox"/>	Good knowledge	<input type="checkbox"/>	Good knowledge
<input type="checkbox"/>	Moderate knowledge	<input type="checkbox"/>	Moderate knowledge
<input type="checkbox"/>	Limited knowledge	<input type="checkbox"/>	Limited knowledge
<input type="checkbox"/>	No knowledge at all	<input type="checkbox"/>	No knowledge at all

Q1.2 In case you have an at least ‘Limited knowledge’, what are your sources of information? In particular, ... **EQ#8**

		Yes	No	Can't recall
Q1.2.1	... have you ever visited the relevant website? http://ec.europa.eu/economy_finance/euro/anti-counterfeiting/pericles/index_en.htm			
Q1.2.2	... have you had any contact with DG ECFIN staff in charge of the Programme?			
	... have you received information from other institutions dealing with euro counterfeiting?			
Q1.2.3	... did you attend the seminar on the previous Pericles programme held in 2011?			
Q1.2.4	... have you relied on other sources (please specify)			

Q1.3 In case your answer is ‘Yes’ to at least one of the above, how helpful/unhelpful were these sources of information? **Please provide your views EQ#8**

Section 2 – Reasons for Not Applying for Grants Under Pericles 2020

As indicated above, we are interested in understanding the reasons for your decision not to apply for grants. Of particular interest is the balance between factors that may have influenced your interest in applying vs. possible concerns regarding operational aspects.

Q2.1 Was the decision not to apply for grants under Pericles 2020 at least partly motivated by the fact that euro counterfeit is not regarded as a pressing problem in your country? **If so, please provide your views EQ#1**

Q2.2 Was the decision not to apply for grants under Pericles 2020 at least partly motivated by a limited interest in what the Programme has to offer? If so, what are the reasons for such a limited interest? **Please provide your views with reference to the various possible motivations indicated below as well as to other possible aspects that may have played a role in your decision EQ#2, EQ#3 & EQ#4**

Q2.2.1 Limited interest because you do not think that a transnational approach is required to enhance euro protection?

Q2.2.2 Limited interest because Pericles 2020's priorities are not relevant to your institution?

Q2.2.3 Limited interest because Pericles 2020's typology of actions is not relevant to your institution?

Q2.2.4 Limited interest because the needs of your institution are fully covered by national programmes?

Q2.2.5 Limited interest because the needs of your institution are fully covered by other EU/international initiatives (please specify)?

Q2.2.6 Limited interest because of reasons other than those mentioned above (please specify)?

Q2.3 Was the decision not to apply for grants under Pericles 2020 at least partly motivated by concerns regarding the Programme's management and administrative procedures? If so, what were the main reasons of concern? **Please provide your views with reference to the various possible motivations indicated below as well as to other possible aspects that may have played a role in your decision EQ#8 & EQ#10**

Q2.3.1 Difficulties in mobilizing the human resources required to prepare the application package and/or to ensure the implementation of actions?

Q2.3.2 Difficulties in mobilizing the money required to complement the EU grant?

Q2.3.3 Difficulties in establishing contacts with possible partner institutions in other countries and/or in securing their actual participation during implementation?

Q2.3.4 Concerns regarding the complexity of the application process and/or reporting obligations at the end of implementation?

Q2.3.5 Concerns that some of the costs incurred by your institution during implementation may not be recognized as eligible and, therefore, not reimbursed?

Q2.3.6 Concerns regarding any other operational aspect not mentioned above (please specify)?

Q2.4 Was the decision not to apply for grants under Pericles 2020 at least partly motivated by your previous experience with the implementation of actions under the previous Pericles programme? **If Yes, please provide your views GENERAL ASSESSMENT**

Q2.5 Overall, which are the main reasons motivating your decision not to apply for grants under Pericles 2020? **Please indicated the two most important factors EQ#1, EQ#2, EQ#3, EQ#4, EQ#8 & EQ#10**

Most important	2 nd most important	Possible reasons for not applying	
		Euro counterfeiting is <u>not</u> regarded as a pressing problem	

	Do not think that a <u>transnational approach</u> is required to enhance euro protection	Limited interest in what Pericles 2020 has to offer
	Pericles 2020's <u>priorities</u> are not relevant	
	Pericles 2020's <u>typology of actions</u> is not relevant	
	Needs <u>fully covered by national programmes</u>	
	Needs <u>fully covered by other EU/international initiatives</u>	
	Limited interest because of <u>other reasons?</u>	Concerns regarding operations
	Difficulties in mobilizing the <u>human resources</u>	
	Difficulties in mobilizing the <u>money required to complement the EU grant</u>	
	Difficulties in interacting with <u>possible partner institutions in other countries</u>	
	Concerns that some costs <u>may not be reimbursed</u>	
	Concerns regarding <u>other operational aspects?</u>	

For the Interviewer: the above question is complex due to the large number of items to be compared. Make sure that the items ticked are consistent with the answers provided to the earlier questions. In case of difficulties in handling the long list of factors, rephrase the question as follow:

Was the decision not to apply primarily due to: (i) the fact that euro counterfeiting is not a pressing problem; or (ii) limited interest in what Pericles 2020 has to offer; or (iii) concerns regarding operational and procedural aspects?

Q2.6 In case the limited interest in what Pericles 2020 has to offer is one of the top two reasons for not applying, which changes in the Programme's orientations could lead you to modify your position? **Please provide your views EQ#2, EQ#3 & EQ#4**

Q2.7 In case concerns regarding Pericles 2020's management and administrative procedures is one of the top two reasons for not applying, which changes in the Programme's operational aspects could lead you to modify your position? **Please provide your views EQ#8 & EQ#10**

Section 3 – Prospects

Q3.1 Do you expect your institution to submit an application for grants under the Pericles 2020 in the near future? **Please tick one EQ#2**

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Q3.2 Irrespective of your answer to the previous question, would you be interested in learning more about Pericles 2020? **Please tick one EQ#2**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Q3.3 If Yes, could you be interested in ... **EQ#2**

Q3.3.1	... participating in a <u>workshop</u> in which the features of the Programme are explained in detail?	Yes	No	Don't know
Q3.3.2	... receiving the <u>visit from a DG ECFIN staff</u> to illustrate the features of the Programme?			
Q3.3.3	... receiving <u>information materials</u> on the Programme?			
Q3.3.4	... other (please specify)			

Q3.4 In case a workshop to illustrate the features of the Programme were organized in Bruxelles or in another location different from your home country, would your institution be able to send a representative? **Please tick one EQ#2**

<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no

The interview ends here. Please use the space below to provide any additional comment(s) and/or formulate any suggestion(s) that you may deem useful.

THANK YOU VERY MUCH FOR YOUR COLLABORATION

D.5 Questionnaire for Interviews with 'Non Applicants'

This interview is carried out in the framework of the **Mid-Term Evaluation of the Pericles 2020 Programme** (the 'Evaluation'), commissioned by the European Commission - Directorate General for Economic and Financial Affairs (DG ECFIN).

Pericles 2020 is a European Union (EU) programme aimed at preventing and combating the counterfeiting of euro banknotes and coins and related fraud. The Programme is intended to complement the measures implemented by EU Member States and adopts a transnational approach, seeking to foster cooperation among authorities in different countries. This is achieved inter alia by the provision of grants to Competent National Authorities (CNA) to co-finance the implementation of staff exchanges, conferences/seminars, trainings and studies. Grants are provided on the basis of applications submitted by CNA on the basis of periodical calls for proposals.

Pericles 2020 was launched in 2014 and is managed by DG ECFIN. It follows up a previous, similar programme (Pericles) that was managed by OLAF and was implemented over the 2006 – 2013 period.

The Evaluation is aimed at assessing the results achieved by the Programme as well as the appropriateness of the Programme's management and operational procedures, in order to provide recommendations on possible improvements for future activities.

Your institution is included in the list of CNAs entitled to apply for funding for the implementation of actions aimed at protecting the euro but has **never submitted an application for grants** under either Pericles 2020 or the previous Pericles programme. This interview is aimed at understanding the reasons for your decision not to apply. The interview is expected to last between 30 and 45 minutes. We thank you in advance for your time.

Important: the information provided and the opinions expressed during this interview will be treated as strictly confidential and will not be disclosed to any third party. All the information collected through the interview will be presented in an aggregate manner and/or will be duly anonymized so as to render the identification of respondents impossible.

Institution Interviewed For the interviewer: to be pre-filled

Name of Institution	
Country	
Type of Institution (tick one)	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
	Monetary authority (Central Bank, Mint)
	Judiciary authority (Ministry of Justice, Prosecutor's Office, Court, etc.)
	Other public entity (specify
Function(s) discharged (tick all that apply)	National Counterfeit Office (within the meaning of the Geneva Convention)
	National Analysis Center (protection of euro banknotes)
	Coin National Analysis Center (protection of euro coins)

Interview

Date and time of interview	
Location of interview	
Name of interviewee(s)	
Position of interviewee(s)	
Contact details of interviewee(s)	
Interviewer	

Section 1 – Knowledge of the Pericles 2020/Pericles Programmes

In order to participate in the Pericles 2020/Pericles, one obviously needs to have appropriate knowledge of the programmes' key features. We are interested in knowing whether you feel sufficiently well informed and what are your sources of information (if any).

Q1.1 How well are you informed about Pericles 2020? Are you familiar with its objectives, priorities, and instruments? And, what about the Programme's management and administrative procedures? **Please tick one for each sub-question EQ#8**

Q1.1.1 Knowledge of objectives, priorities, main instruments		Q1.1.2 Knowledge of management and administrative procedures	
<input type="checkbox"/>	Good knowledge	<input type="checkbox"/>	Good knowledge
<input type="checkbox"/>	Moderate knowledge	<input type="checkbox"/>	Moderate knowledge
<input type="checkbox"/>	Limited knowledge	<input type="checkbox"/>	Limited knowledge
<input type="checkbox"/>	No knowledge at all	<input type="checkbox"/>	No knowledge at all

Q1.2 In case you have an at least 'Limited knowledge', what are your sources of information? In particular, ... **EQ#8**

		Yes	No	Can't recall
Q1.2.1	... have you ever visited the relevant website? http://ec.europa.eu/economy_finance/euro/anti-counterfeiting/pericles/index_en.htm			
Q1.2.2	... have you had any contact with DG ECFIN staff in charge of the Programme?			
	... have you received information from other institutions dealing with euro counterfeiting?			
Q1.2.3	... did you attend the seminar on the previous Pericles programme held in 2011?			
Q1.2.4	... have you relied on other sources (please specify)			

Q1.3 In case your answer is 'Yes' to at least one of the above, how helpful/unhelpful were these sources of information? **Please provide your views EQ#8**

Section 2 – Reasons for Not Applying for Grants Under Pericles 2020

As indicated above, we are interested in understanding the reasons for your decision not to apply for grants. Of particular interest is the balance between factors that may have influenced your interest in applying vs. possible concerns regarding operational aspects.

Q2.1 Was the decision not to apply for grants under Pericles 2020/Pericles at least partly motivated by the fact that euro counterfeit is not regarded as a pressing problem in your country? **If so, please provide your views EQ#1**

Q2.2 Was the decision not to apply for grants under Pericles 2020/Pericles at least partly motivated by a limited interest in what the Programme has to offer? If so, what are the reasons for such a limited interest? **Please provide your views with reference to the various possible motivations indicated below as well as to other possible aspects that may have played a role in your decision EQ#2, EQ#3 & EQ#4**

Q2.2.1 Limited interest because you do not think that a transnational approach is required to enhance euro protection?

Q2.2.2 Limited interest because the programmes' priorities are not relevant to your institution?

Q2.2.3 Limited interest because the programmes' typology of actions is not relevant to your institution?

Q2.2.4 Limited interest because the needs of your institution are fully covered by national programmes?

Q2.2.5 Limited interest because the needs of your institution are fully covered by other EU/international initiatives (please specify)?

Q2.2.6 Limited interest because of reasons other than those mentioned above (please specify)?

Q2.3 Was the decision not to apply for grants under Pericles 2020/Pericles at least partly motivated by concerns regarding the Programme's management and administrative procedures? If so, what were the main reasons of concern? **Please provide your views with reference to the various possible motivations indicated below as well as to other possible aspects that may have played a role in your decision EQ#8 & EQ#10**

Q2.3.1 Difficulties in mobilizing the human resources required to prepare the application package and/or to ensure the implementation of actions?

Q2.3.2 Difficulties in mobilizing the money required to complement the EU grant?

Q2.3.3 Difficulties in establishing contacts with possible partner institutions in other countries and/or in securing their actual participation during implementation?

Q2.3.4 Concerns regarding the complexity of the application process and/or reporting obligations at the end of implementation?

Q2.3.5 Concerns that some of the costs incurred by your institution during implementation may not be recognized as eligible and, therefore, not reimbursed?

Q2.3.6 Concerns regarding any other operational aspect not mentioned above (please specify)?

Q2.4 Overall, which are the main reasons motivating your decision not to apply for grants under Pericles 2020/Pericles? **Please indicated the two most important factors EQ#1, EQ#2, EQ#3, EQ#4, EQ#8 & EQ#10**

Most important	2 nd most important	Possible reasons for not applying	
		<u>Euro counterfeiting is not regarded as a pressing problem</u>	
		Do not think that a <u>transnational approach</u> is required to enhance euro protection	Limited interest in what the programmes have to offer
		The programmes' <u>priorities</u> are not relevant	
		The programmes' <u>typology of actions</u> is not relevant	
		Needs <u>fully covered by national programmes</u>	
		Needs <u>fully covered by other EU/international initiatives</u>	
		Limited interest because of <u>other reasons</u> ?	
		Difficulties in mobilizing the <u>human resources</u>	Concerns regarding operations
		Difficulties in mobilizing the <u>money required to complement the EU grant</u>	

		Difficulties in interacting with <u>possible partner institutions in other countries</u>	
		Concerns that some costs <u>may not be reimbursed</u>	
		Concerns regarding <u>other operational aspects?</u>	

For the Interviewer: the above question is complex due to the large number of items to be compared. Make sure that the items ticked are consistent with the answers provided to the earlier questions. In case of difficulties in handling the long list of factors, rephrase the question as follow:

Was the decision not to apply primarily due to: (i) the fact that euro counterfeiting is not a pressing problem; or (ii) limited interest in what the programmes have to offer; or (iii) concerns regarding operational and procedural aspects?

Q2.5 In case the limited interest in what the programmes have to offer is one of the top two reasons for not applying, which changes in the Programme's orientations could lead you to modify your position? **Please provide your views EQ#2, EQ#3 & EQ#4**

Q2.6 In case concerns regarding the programmes' management and administrative procedures is one of the top two reasons for not applying, which changes in the Programme's operational aspects could lead you to modify your position? **Please provide your views EQ#8 & EQ#10**

Section 3 – Prospects

Q3.1 Do you expect your institution to submit an application for grants under the current Pericles 2020 programme in the near future? **Please tick one EQ#2**

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Q3.2 Irrespective of your answer to the previous question, would you be interested in learning more about Pericles 2020? **Please tick one EQ#2**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Q3.3 If 'Yes', could you be interested in ... **EQ#2**

Q3.3.1	... participating in a <u>workshop</u> in which the features of the Pericles 2020 are explained in detail?	Yes	No	Don't know
Q3.3.2	... receiving the <u>visit of a DG ECFIN staff</u> to illustrate the features of the Programme?			
Q3.3.3	... receiving <u>information materials</u> on the Programme?			
Q3.3.4	... other (please specify)			

Q3.4 In case a workshop to illustrate the features of Pericles 2020 were organized in Bruxelles or in another location different from your home country, would your institution be able to send a representative)? **Please tick one EQ#2**

<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Don't know/unable to tell right now
<input type="checkbox"/>	Probably no

The interview ends here. Please use the space below to provide any additional comment(s) and/or formulate any suggestion(s) that you may deem useful.

THANK YOU VERY MUCH FOR YOUR COLLABORATION

ANNEX E – QUESTIONNAIRE FOR THE SURVEY OF PARTICIPANTS

In this Annex, we present the questionnaire to be used for the Survey of Participants. The survey will be implemented via web, through a dedicated portal, and this operating modality heavily influences the complexity, format, and structure of the questionnaire.

In order to achieve a decent response rate, questionnaires for web-based surveys must be short, self-explanatory and visually appealing. Accordingly:

- The proposed questionnaire consists of **16 questions**, of which only 3 are 'open questions';
- The questionnaire is sub-divided into sections, each one dealing with one specific topic. In practice, **each section is conceived to coincide with a screen page**;
- All the questions are designed so that they **can be answered 'on the spot'**, without the need to retrieve any documents;
- Efforts have been made to use a **language suitable to an extremely diverse target population**, regarding both the professional background (law enforcement officers, people working in commercial banks, etc.) and the 'rank/status' (from warrant officers to Supreme Court magistrates).

As intelligibility is key to achieve a good response rate, the questionnaire will be made available in three languages; namely **English, French and Spanish**.

As in the case of the questionnaires for interviews, the questionnaire includes some annotations in **bold blue** intended to show the link of the various sections/questions to the EQ that inform the Evaluation.

QUESTIONNAIRE FOR THE SURVEY OF PARTICIPANTS

This survey is carried out in the framework of the **Mid-Term Evaluation of the Pericles 2020 Programme** (the 'Evaluation'), which has been commissioned by the European Commission - Directorate General for Economic and Financial Affairs (DG ECFIN).

The Evaluation is aimed at assessing the results achieved by the Pericles 2020 Programme since its launch in 2014 and at identifying areas of possible improvement.

You were among the participants in the initiatives financed by Pericles 2020 and we are interested in receiving your views on the results of your participation and subsequent developments.

The survey is expected to require not more than 30 minutes. We thank you in advance for your kind cooperation.

Important: the information provided and the opinions expressed in this survey will be treated as strictly confidential and will not be disclosed to any third party. All the information collected will be presented in an aggregate manner so as to render the identification of respondents impossible.

To initiate the survey, please click [here](#).

Section 1 - Basic Information

Q1.1 Please indicate your nationality **Please select from the list of countries below**
GENERAL INFORMATION

--

Q1.2 At the time of your participation in Pericles 2020 initiative(s), for which type of institution were you working? **Please tick one GENERAL INFORMATION**

Q1.2.1	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
Q1.2.2	Monetary authority (Central Bank, Mint)
Q1.2.3	Judiciary authority (Ministry of Justice, Prosecutor's Office, Court, etc.)
Q1.2.4	Commercial bank or other operators active in the financial sector (money exchange, money transport, etc.)
Q1.2.5	Other public entity (please specify _____)
Q1.2.6	Other private entity (please specify _____)

Q1.3 At present, are you still working for the same institution? **Please tick one EQ#15**

	Yes
	No

If Yes, please proceed to Q1.5

Q1.4 If No, for which type of institution are you currently working? **Please tick one EQ#15**

Q1.4.1	Law enforcement authority (Police, Customs, Ministry of Interior, etc.)
Q1.4.2	Monetary authority (Central Bank, Mint)
Q1.4.3	Judiciary authority (Ministry of Justice, Prosecutor's Office, Court, etc.)
Q1.4.4	Commercial bank or other operators active in the financial sector (money exchange, money transport, etc.)
Q1.4.5	Other public entity (please specify _____)
Q1.4.6	Other private entity (please specify _____)

Q1.5 To what extent do you consider the counterfeiting of the euro a problem. **Please tick one for each of the following sub-questions EQ#1**

		Not at all	To a limited extent	To some extent	To a large extent	Don't know
Q1.5.1	... in your country?					
Q1.5.2	... in EU Member States?					
Q1.5.3	... internationally?					

Section 2 - Results of Your Participation in Pericles 2020 Initiative(s)

Q2.1 How useful was your participation in the Pericles 2020 initiative(s)? In particular, to what extent were you able to ... **Please tick one for each of the following sub-questions EQ#5 & EQ#6**

		Not at all	To a limited extent	To some extent	To a large extent
Q2.1.1	... establish <u>contacts</u> with other people involved in the protection of the euro in EU Member States?				
Q2.1.2	... establish <u>contacts</u> with other people involved in the protection of the euro in non-EU countries?				
Q2.1.3	... learn about <u>best practices</u> in the prevention and/or detection and/or repression of euro counterfeiting?				
Q2.1.4	... acquire <u>practical skills</u> for the prevention, detection and repression of euro counterfeiting?				
Q2.1.5	... other (please specify)				

Q2.2 To what extent have the contacts developed and/or the information/knowledge/skills acquired through your participation in the Pericles 2020 initiative(s) actually been put in practice? In particular, to what extent do you ... **Please tick one for each of the following sub-questions EQ#6**

		Not at all	To a limited extent	To some extent	To a large extent
Q2.2.1	... now <u>more closely and regularly cooperate</u> with other people involved in the protection of the euro in EU Member States (i.e. <u>have you actually used the contacts established</u>)?				
Q2.2.2	... now <u>more closely and regularly cooperate</u> with other people involved in the protection of the euro in non-EU countries (i.e. <u>have you actually used the contacts established</u>)?				
Q2.2.3	... now consider to have <u>strengthened your operational capabilities</u> (e.g. thanks to training)?				
Q2.2.4	... now use <u>new or improved methods</u> for the prevention and/or detection and/or repression of euro counterfeiting?				
Q2.2.5	... now have <u>derived any other benefit</u> (please specify)				

Q2.3 Since your participation in the Pericles 2020 initiative(s), how has your involvement in euro protection activities evolved? **Please tick one EQ#6**

<input type="checkbox"/>	My involvement has increased
<input type="checkbox"/>	My involvement has remained broadly the same
<input type="checkbox"/>	My involvement has declined

Q2.4 Can you provide one or more concrete examples of how your participation in the Pericles 2020 initiative(s) has contributed to tangible positive results in the protection of the euro? (e.g. seizure of illegal mints, strengthening of procedures in commercial banks, identification of smugglers of counterfeited euros, etc.)? **If Yes, please provide details EQ#6 & EQ#7**

Section 3 - Dissemination of Results of Your Participation in Pericles 2020 Event(s)¹⁰⁵

Q3.1 Have you been able to share/transfer at least some of the contacts developed and/or the information/knowledge/skills acquired through your participation in the Pericles 2020 initiative(s) with/to colleagues working in your institution? **Please tick one EQ#6 & EQ#15**

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

If No, please proceed to Section 4

Q3.2 If Yes, how this was done? In particular, have you... **Please tick one for each of the following sub-questions EQ#6 & EQ#15**

		Yes	No
Q3.2.1	... <u>distributed materials</u> received through the initiative(s)?		
Q3.2.2	... prepared a <u>report or memo</u> on the initiative(s)?		
Q3.2.3	... made a <u>presentation</u> at an internal workshop?		
Q3.2.4	... delivered a formal <u>training course</u> ?		
Q3.2.5	... transferred contacts/information/knowledge/skills <u>informally during regular operational activities</u> (e.g. during investigations)?		
Q3.2.6	... carried out any other dissemination activity(ies)? (please specify)		

Q3.3 If you have (i) made a presentation at an internal workshop, and/or (ii) delivered a training course, have many people were involved? **Please indicate the approximate number of colleagues attending EQ#6 & EQ#15**

Section 4 - Overall Assessment

Q4.1 All things considered, what is your overall assessment of your participation in the Pericles 2020 initiative(s)? **Please tick one GENERAL ASSESSMENT**

<input type="checkbox"/>	Very positive
<input type="checkbox"/>	Positive
<input type="checkbox"/>	Neutral (neither positive nor negative)
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Very negative

Q4.2 Which were the aspects that you appreciated the most and the least? **Please provide your views GENERAL ASSESSMENT**

Q4.2.1 Most appreciated	Q4.2.2 Least appreciated
-------------------------	--------------------------

Q4.3 Given the opportunity, would you be interested in participating in additional Pericles 2020 initiatives? **Please tick one EQ#2**

<input type="checkbox"/>	Definitely yes
<input type="checkbox"/>	Probably yes
<input type="checkbox"/>	Uncertain
<input type="checkbox"/>	Probably no
<input type="checkbox"/>	Definitely no

Q4.4 If Definitely yes or Probably yes, which type(s) of initiative(s) (e.g. training, staff exchange, conference, etc.) would you be most interested in? And concerning which topic(s)?. **Please provide your views EQ#2 & EQ#4**

The survey ends here. Please use the space below to provide any additional comment(s) and/or formulate any suggestion(s) that you may deem useful.

THANK YOU VERY MUCH FOR YOUR COLLABORATION

¹⁰⁵ This section is to be used only for participants involved in staff exchanges and/or in trainings.

ANNEX F – REPRESENTATIVENESS OF SURVEY RESULTS

F.1 Introduction

The Survey of Participants elicited 227 responses from individuals participating in Pericles 2020 actions (the 'sample of respondents' or simply the 'Sample'). While this number is quite large compared with other web-based surveys and with the total number of individuals (514) who could actually have participated in the survey (i.e. those with a functioning email address), the question arises of whether and to what extent the results of the survey can be regarded as representative of the entire universe of the 870 individuals participating in Pericles 2020 actions (the 'Population'). Section F.2 deals with the issue of self-selection bias. Section F.3 reviews the similarities and differences between the Sample and the Population. Section F.4 presents the results of some statistical tests to assess the representativeness of the Sample in the light of these similarities and differences.

F.2 Selection Bias

As in all web-based surveys, the sample of respondents suffers from self-selection bias. In practice, the Sample was not randomly selected but is a convenience sample resulting from self-selection, i.e. the decision of certain number of individuals to take part in the survey. In turn, this decision was the result of a variety of factors, ranging from practical aspects (individuals did or didn't have time to participate in the survey) to more substantive ones (e.g. individuals were particularly motivated by a positive or negative attitude towards Pericles 2020 or could not handle the survey in one of the three languages in which the questionnaire was made available). The factors influencing the decision to participate in the survey inevitably introduce a bias that may affect the validity of results.

F.3 Sample and Population Characteristics

Based on available information, the Sample and the Population were categorised along three dimensions, namely: (i) the **professional background** of participants (i.e. whether they are police officers, staff of monetary authorities, etc.); (ii) the **geographical origin**; and (iii) the number of Pericles 2020 actions in which they have participated (**number of events attended**). Exhibits F.1 through F.3 illustrate the Sample and Population characteristics along these three dimensions.

Exhibit F.1 Sample and Population Characteristics – Professional Background and Number of Events Attended

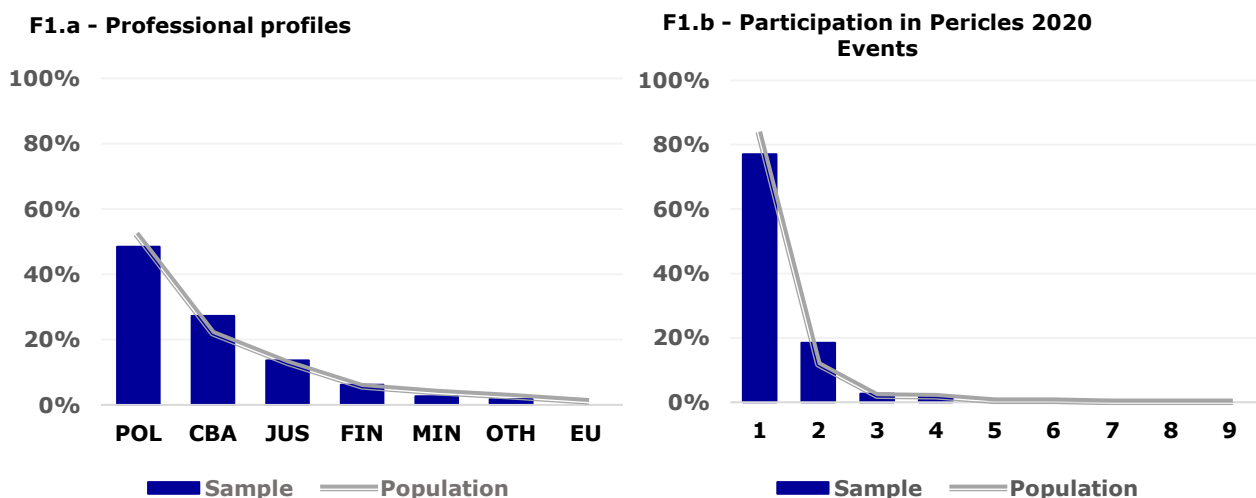
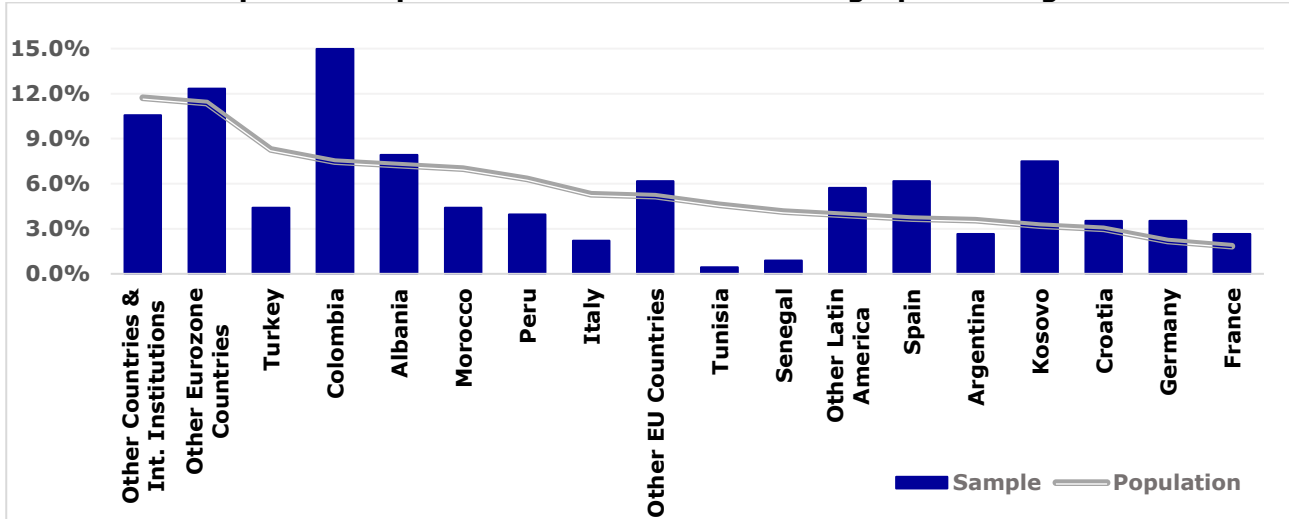


Exhibit F.2 Sample and Population Characteristics – Geographical Origin



Overall, the Sample and the Population display reasonably similar distributions regarding the professional background and the number of events attended. Instead, the distribution for the geographical origin shows remarkable differences, namely with the over representation in the Sample of certain countries (Colombia and Kosovo) and the underrepresentation of other (Turkey, Tunisia, Senegal).

This is confirmed by the key descriptive statistics¹⁰⁶ presented in Exhibit F.4, which inter alia shows an opposite sign in the measure of skewness for the Sample and the Population.

Exhibit F.4 Descriptive Statistics for Sample and Population

	Geography		Professions		Action attended	
	Sample	Population	Sample	Population	Sample	Population
Mean	36.14	41.31	5.37	5.57	1.28	1.28
Median	34	46	7	8	1	1
St. deviation	24.39	25.51	2.98	2.9	0.62	0.81
Skewness	0.1	-0.25	-0.52	-0.64	2.63	4.44
Kurtosis	1.62	1.62	1.55	1.71	10.30	28.7

F.4 Statistical Test

In order to assess if the Sample is representative of the Population we use a **Chi square goodness of fit test** for each of the three dimensions ('variables') used to describe the Sample and the Population. Indeed, according to the statistical theory, nonparametric statistics are the best method to analyse categorical data¹⁰⁷. The exercise tests the hypothesis 'how well does a sample distribution correspond with a hypothetical population distribution', considering as null hypothesis H₀: sample distribution is equal to the population distribution. Specifically, the null hypothesis is that the observed number of cases in each category is exactly equal to the expected number of cases in each category. The alternative hypothesis is that the observed and expected number of cases differ sufficiently to reject the null hypothesis. For each category, the expected frequency is:

$$E_j = N * p_j$$

Where, N is the sample size and p_j is the relative frequency for j th category in the population.

The chi square is calculated as:

¹⁰⁶ All statistic descriptive are calculated by the statistical software of STATA consistently with the statistical theory on categorical data.

¹⁰⁷ The chi square goodness of fit test on categorical data is described in any statistical theory book, such as Balakrishnan, N., Voinov, V. and Nikulin, M. S. (2013). *Chi-Squared Goodness of Fit Tests with Applications*. 1st ed. Academic Press. Moreover, please refer to Williams, R. (2004). *Categorical data analysis*. Appendix A.

$\chi_2 \sim$ Chi square (c-1), in which
C is the number of categories and c-1 are the degrees of freedom.

It is important to state that the closer O_j is to E_j , the smaller the χ_2 is, implying a better goodness of fit.

Setting the significance level at $\alpha=.01$, if the $P(\chi_2 \leq \chi_{2_{1-\alpha, c-1}})=1-\alpha$ then the value of the computed test statistic falls in the acceptance region of the null hypothesis.

The results of the test are shown in Exhibit F.5 which shows that the Sample distribution is close to the population distribution, i.e. it is representative of the Population regarding the professional background and the number of events attended whereas it is not representative regarding the geographical origin, for which the chi square statistics falls in the rejection area, with a computed χ_2 statistic larger than the relative critical value.

Exhibit F.5 Results of the Z-test for Means

	Geographical Origin	Professional Background	Number of Events Attended
H_0	$O_j = E_j$	$O_j = E_j$	$O_j = E_j$
H_1	$O_j \neq E_j$	$O_j \neq E_j$	$O_j \neq E_j$
α	1%	1%	1%
c-1	17	6	3
$\chi_{2_{c-1}}$	33.41	16.81	11.35
χ_2	112.4311	6.95	11.14
Conclusion $P(\chi_2 \leq \chi_{2_{c-1}})$	RH_0	no- RH_0	no- RH_0

ANNEX G – EURO PROTECTION ENTITIES AND INITIATIVES

G.1 Other Commission Programmes and Initiatives¹⁰⁸

DG ECFIN. In addition to the Pericles 2020 Programme, DG ECFIN (as of 1 January 2015) also hosts the **European Technical and Scientific Centre (ETSC)**. Established in 2004,¹⁰⁹ ETSC is charged with: (i) analysing and classifying new counterfeit euro coins (using the facilities of *Monnaie de Paris*); (ii) providing necessary technical assistance upon request from CNAC in the MS (and, on an ad hoc basis, third countries); (iii) coordinating actions to protect euro coins through the Counterfeit Coin Experts Group (CEEG); (iv) managing the implementation of the authentication procedures for coin-processing machines;¹¹⁰ (v) providing training through Pericles 2020 actions and other events (such as TAIEX – see DG NEAR below); and (vi) supporting the development of legislative instruments (such as the Directive on the protection of the euro and other currencies against counterfeiting by criminal law).

DG HOME. With a € 1 billion budget, the Police instrument of the **Internal Security Fund (ISF Police)**¹¹¹, set up for the 2014-2020 period, seeks to: (i) combat cross-border, serious and organised crime (including terrorism) by strengthening coordination and cooperation between law enforcement agencies and other national authorities as well as EU and international institutions; and (ii) enhance the capacity of MS and the EU to manage security related risks and crises (including terrorist attacks). The instrument primarily supports shared Commission/MS¹¹² grant financed programmes (National Programmes), but also procured actions managed directly by the Commission (Union Actions). Prioritised crimes currently include terrorism, organised crime, cybercrime, and environmental crime.

DG NEAR. The **Technical Assistance and Information Exchange (TAIEX)** instrument seeks to improve the institutional and technical capacity of public administrations in EU candidate and potential candidate countries as well as EU's Eastern and Southern neighbour countries towards harmonising, applying, and enforcing EU legislation and standards in various fields. In 2015 alone, it supported 1.624 activities (including expert missions, study visits and workshops) for 27.246 participants in some 20 beneficiary or partner countries.¹¹³ TAIEX is a demand driven instrument and provides specific short-term assistance to complement other Commission support. Similarly, the **Twinning** instrument also seeks to build the capacity of public administrations in Enlargement and Neighbourhood countries. To this end, it focuses on sharing best practices and assists the establishment of direct cooperation with peer institutions in EU MS. In 2015, it supported 97 such projects.¹¹⁴

G.2 Other EU Institutions and Initiatives

The **European Police Office (Europol)** is the designated central office – within the meaning of Article 12 of the Geneva Convention – for combatting euro counterfeiting.¹¹⁵ Within this mandate, Europol is primarily responsible for coordinating relevant information in order to facilitate the investigation and prevention of euro counterfeiting in cooperation with the NCO in

¹⁰⁸ With OLAF, € 105 million 2014-2020 Hercule III Programme seeks to fight fraud, corruption and other irregularities towards promoting the protection of the financial interests of the EU. However, it currently focuses on tobacco smuggling (including counterfeit cigarettes) and is hence not concerned with euro protection. Furthermore, DG JUST manages the € 378 million 2014-2020 Justice Programme, which aims to develop a European area of justice based on mutual recognition and trust. It includes support for judicial cooperation on criminal matters, but such efforts have to date not been related to the protection of the euro against counterfeiting.

¹⁰⁹ Commission Decision of 29 October 2004 establishing the European Technical and Scientific Centre (ETSC) and providing for coordination of technical actions to protect euro coins against counterfeiting (2005/37/EC).

¹¹⁰ Regulation (EU) 1210/2010 of the European Parliament and of the Council of 15 December 2010 concerning authentication of euro coins and handling euro coins unfit for circulation (Article 4).

¹¹¹ 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

¹¹² Denmark and the UK do not participate in the implementation of ISF Police.

¹¹³ TAIEX and Twinning Activity Report 2015.

¹¹⁴ TAIEX and Twinning Activity Report 2015.

¹¹⁵ Council Decision 2005/511/JHA of 12 July 2005 on protecting the euro against counterfeiting, by designating Europol as the Central Office for combating euro counterfeiting.

the MS. Beyond the EU, Europol should also liaise directly with NCO in third countries in line with the rules on the transmission of personal data as well as provide them with specimens of actual euro banknotes and coins (for comparative purposes) and relevant notifications (i.e. issuing or withdrawal of banknotes/coins, details on discovered counterfeits, etc.). It consequently acts as a global contact for combating the counterfeiting of the euro. More specifically, through the Focal Point Soya, Europol:

- Facilitates exchange of intelligence on euro counterfeiting;
- Participates in Joint Investigation Teams (see further Eurojust below); and
- Provides financial assistance and technical, statistical, and forensic support and training (as well as on-the-spot assistance through a mobile toolkit).¹¹⁶

The **European Central Bank (ECB)** together with the central banks in the 19 countries of the Euro area (collectively referred to as the 'Eurosystème') are responsible for safeguarding the integrity of euro banknote security. ECB – through the Counterfeit Analysis Centre (CAC)¹¹⁷ – is in charge of monitoring seized counterfeit euro banknotes as well as progress in counterfeit banknote printing and reproduction technologies. More specifically, CAC manages all technical and statistical information on seized and detected counterfeit euro banknotes recorded in the Counterfeit Monitoring System (CMS)¹¹⁸ by the NAC and other relevant authorities in all 28 MS (as well as other countries, such as Albania, with which ECB has a cooperation arrangement). The CMS also includes information on seized and detected counterfeit euro coins as reported by the CNAC and monitored by ETSC. In addition to monitoring the number of counterfeit banknotes, CAC also delivers training on the technical and security features of euro banknotes to central bank staff (through a training of trainers approach) as well as, upon request, police officers and relevant private operators (namely cash handling and transit companies).¹¹⁹ Occasionally, it also provides assistance to law enforcement authorities in dismantling illegal workshop in order to support the securing of evidence. Beyond the monitoring and support function of CAC, ECB also:

- Funds research and development on part of public and private operators in the fields of (i) security features, (ii) production technologies, and (iii) processing handling technologies related to euro banknotes; and
- Provides training to professional cash handlers on the security features of euro banknotes and on how to check their authenticity; including an e-learning course ('Knowledge of banknotes') and website tools ('Euro Cash Academy' and 'Euro Check').¹²⁰

Eurojust is EU's judicial cooperation unit. Established in 2002,¹²¹ its objective is to promote and strengthen the coordination of investigations and prosecutions and the cooperation among relevant authorities in MS with regard to serious cross-border crimes (particularly organised crime). To this end, Eurojust provides strategic as well as operational assistance across a wide range of criminal offenses (including the forgery of money). In terms of operational assistance, it primarily provides technical and financial support to Joint Investigations Teams (JIT) as of 2010. These teams are set up by two or more MS in order to investigate a particular case (i.e. serving a specific purpose and with a limited duration).¹²² Together with Europol, Eurojust has

¹¹⁶ Financial support to euro counterfeiting operations is in fact one of the most appreciated support services provided by Europol – receiving an average score of 9.6 (out of 10) in a 2012 satisfaction survey (Europol Review 2012: General Report on Europol Activities 2012). While financial assistance to operational measures is budgeted around EUR 150,000 per year, other support and training are funded through the general Europol budget.

¹¹⁷ <http://www.ecb.europa.eu/euro/html/counterfeiting.en.html>

¹¹⁸ Decision of the European Central Bank of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS) (ECB/2001/11) (2001/912/EC).

¹¹⁹ Euro banknote training has recently been provided to staff of the Bank of China (Hong Kong), with additional training to Bank of China staff on the mainland expected to be carried out shortly.

¹²⁰ In preparation of the launch of the second series of euro banknotes (the Europa series), the Eurosystème has also set up a Partnership Programme providing educational tools to banknote manufacturers/suppliers and professional organisations as well as commercial banks, exchange bureaus, retailers, and other operators regularly using banknote equipment or handling cash.

¹²¹ Council Decision 2002/187/JHA1 of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime (and Council Decision 2009/426/JHA of 16 December 2008 on the strengthening of Eurojust).

¹²² The setting up JIT between MS is foreseen by Article 13 of the Convention on Mutual Legal Assistance between the Member States of the European Union adopted on 29 May 2000 (and by the Framework Decision of 13 June 2002).

also developed a JIT manual and supported JIT legislation (they also jointly host the JIT webpage). Annual allocations vary, but total JIT funding between 2014 and 2016 amounted to just over € 2 million. Finally, beyond JIT, MS also seek Eurojust's assistance in coordinating and collecting evidence.

G.3 Other International Institutions and Initiatives

Following the signing of the Geneva Convention in 1929, the **International Criminal Police Organization (Interpol)** has acted as the International Central Office for the Suppression of Counterfeit Currency. In fact, the suppression of currency counterfeiting was one of its original mandates. In particular, the Counterfeit Currency and Security Documents (CCSD) facilitates the sharing of data and information on counterfeit currencies (for example the Counterfeit Currency Statistics database and the Documentchecker for banknotes). Furthermore, its forensic laboratory sources and stores newly issued genuine banknotes as well as analyses counterfeit banknotes. Interpol also provides training on general currency security features (hence not specifically related to the euro) as well as operational assistance and cooperation. Finally, since 2015, Project S-Print brings together representatives from law enforcement authorities and some 25 private companies in the security printing and forensic equipment industry towards preventing organised criminal networks from sourcing the material and equipment needed to produce counterfeit money. Through a training of trainer approach, the project seeks to promote a supplementary due diligence process on part of the industry with regard to potential clients and suppliers.

The **Central Bank Counterfeit Deterrence Group (CBCDG)**¹²³ – a group of central banks from 31 countries¹²⁴ and ECB – seeks to detect, assess and propose solutions for emerging threats to the security of banknotes common to the currencies of the member countries. In particular, CBCDG supports the development and adoption of technologies that prevent the digital printing of counterfeit banknotes. To this end, it has assisted the development of a Counterfeit Deterrence System (CDS). The system includes tools that block personal computers as well as digital imaging equipment and applications from capturing and replicating images of banknotes and is implemented on a voluntary basis by both hardware and software manufacturers.

Under certain conditions, non-EU countries might also join as JIT are now also foreseen under other international instruments.

¹²³ <http://www.rulesforuse.org>. While CBCDG is hosted by the Bank of Canada, its technical support structure (the International Counterfeit Deterrence Centre) is placed with ECB.

¹²⁴ Apart from 24 EU MS (i.e. all MS except Croatia, Latvia, Lithuania, and Romania), another seven non-EU countries (namely Australia, Canada, Japan, Norway, Switzerland, Turkey, and United States) are also members of CBCDG.