



Brussels, 6.12.2017  
SWD(2017) 443 final

**COMMISSION STAFF WORKING DOCUMENT**  
*Accompanying the document*

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE  
EUROPEAN PARLIAMENT**

**on the mid-term evaluation of the Programme for exchange, assistance and training for  
the protection of the euro against counterfeiting ('Pericles 2020' Programme)**

{COM(2017) 741 final} - {SWD(2017) 444 final}

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## ABBREVIATIONS AND ACRONYMS

<b>AWP</b>	Annual Work Programme
<b>CBCDG</b>	Central Bank Counterfeit Deterrence Group
<b>CfP</b>	Call(s) for proposals
<b>CNA</b>	Competent National Authority
<b>DG ECFIN</b>	Directorate General for Economic and Financial Affairs
<b>DG HOME</b>	Directorate General for Migration and Home Affairs
<b>DG JUST</b>	Directorate General for Justice and Consumers
<b>DG NEAR</b>	Directorate General for Neighbourhood and Enlargement Negotiations
<b>ECB</b>	European Central Bank
<b>ECEG</b>	Euro Counterfeiting Experts Group
<b>EQ</b>	Evaluation Question(s)
<b>Eurojust</b>	European Union's Judicial Cooperation Unit
<b>Europol</b>	European Police Office
<b>Interpol</b>	International Criminal Police Organization
<b>ISSG</b>	Inter-Service Steering Group
<b>MS</b>	Member State(s)
<b>OLAF</b>	European Anti-fraud Office
<b>OPC</b>	Open Public Consultation
<b>SWD</b>	Staff Working Document
<b>TAIEX</b>	Technical Assistance and Information Exchange
<b>TOR</b>	Terms of Reference

## 1. INTRODUCTION

Pericles 2020 is an exchange, assistance and training programme aiming at promoting actions for the protection and safeguarding of the euro against counterfeiting. The budget for the Programme's implementation is approximately EUR 1 million per year.

The Pericles 2020 programme runs for the period 2014-2020 and replaced the Pericles programme, which was established by Council Decision 2001/923/EC of 17 December 2001 for a period of four years (1 January 2002 to 31 December 2005) and it was extended by Council Decision 2006/849/EC of 20 November 2006 until 31 December 2013.

The Programme is a multiannual action programme to promote actions for the protection and safeguarding of the euro against counterfeiting and related fraud. It is an exchange, assistance and training programme aiming at preventing and combating counterfeiting and related fraud, thus enhancing the competitiveness of the EU's economy and securing the sustainability of public finances.

The Programme actively encourages and entails an increase in transnational cooperation for the protection of the euro against counterfeiting both inside and outside the EU. Particular attention is paid to those Member States or third countries that have the highest rates of euro counterfeiting, as shown by the relevant reports issued by the competent authorities. Such cooperation contributes to a greater effectiveness of the protection of the euro through exchanging best practices, common standards and joint specialised training.

More specifically, the Programme protects euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the activities undertaken by the Member States and assisting the competent national and European authorities in order to develop among themselves and the Commission a close and regular cooperation and an exchange of best practices, where appropriate including third countries and international organisations.

The actions in order to achieve the above mentioned objectives, as defined in Article 8 of the Regulation, are:

- a. exchange and dissemination of information, through organised workshops, meetings and seminars, including trainings, targeted placements and staff exchanges of competent national authorities;
- b. technical, scientific and operational assistance including relevant studies with a multidisciplinary and transnational dimension;
- c. grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities for protecting the euro against counterfeiting.

Projects financed under the Programme are implemented either directly by the Commission (DG ECFIN) or in the form of grants awarded to national competent authorities in the EU (both in the euro area and non-euro area Member States). The common co-financing rate for grants awarded under the Programme is 75% of the total eligible costs. These projects take place both inside and outside the EU.

Article 13(4) Regulation (EU) No 331/2014, 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, the objective of the Evaluation is to “provide an assessment of the Programme to date”. This is to be complemented by “a short analysis of how the recommendations of previous evaluations were taken on board” and “an outlook on the future activities of the Programme”.

The Evaluation was carried out by an external contractor and run from 4/08/2016 till 30/06/2017; it assessed the Programme's implementation covering the period January 2014 – June 2016 and provided an outlook on the future activities of the Programme.

The Evaluation primarily focused on the Pericles 2020 actions for which a commitment was made by 30 June 2016. In practice, the Evaluation 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 the Programme's actions was supplemented with the review of the previous Pericles Programme.

## **2. BACKGROUND TO THE INITIATIVE**

Since the introduction of the euro as a single currency, there was the need to protect the euro against counterfeiting at the EU level and to have a specific programme dedicated for this purpose. The new currency entailed a higher risk of counterfeiting which in turn had the potential to undermine the trust in the euro. Therefore the Pericles programme was established in 2001, which is the predecessor of the Pericles 2020 programme. The legal basis of the Programme is Article 133 of the TFEU. The current programme builds on the work of Pericles which operated from 2001 to 2013.

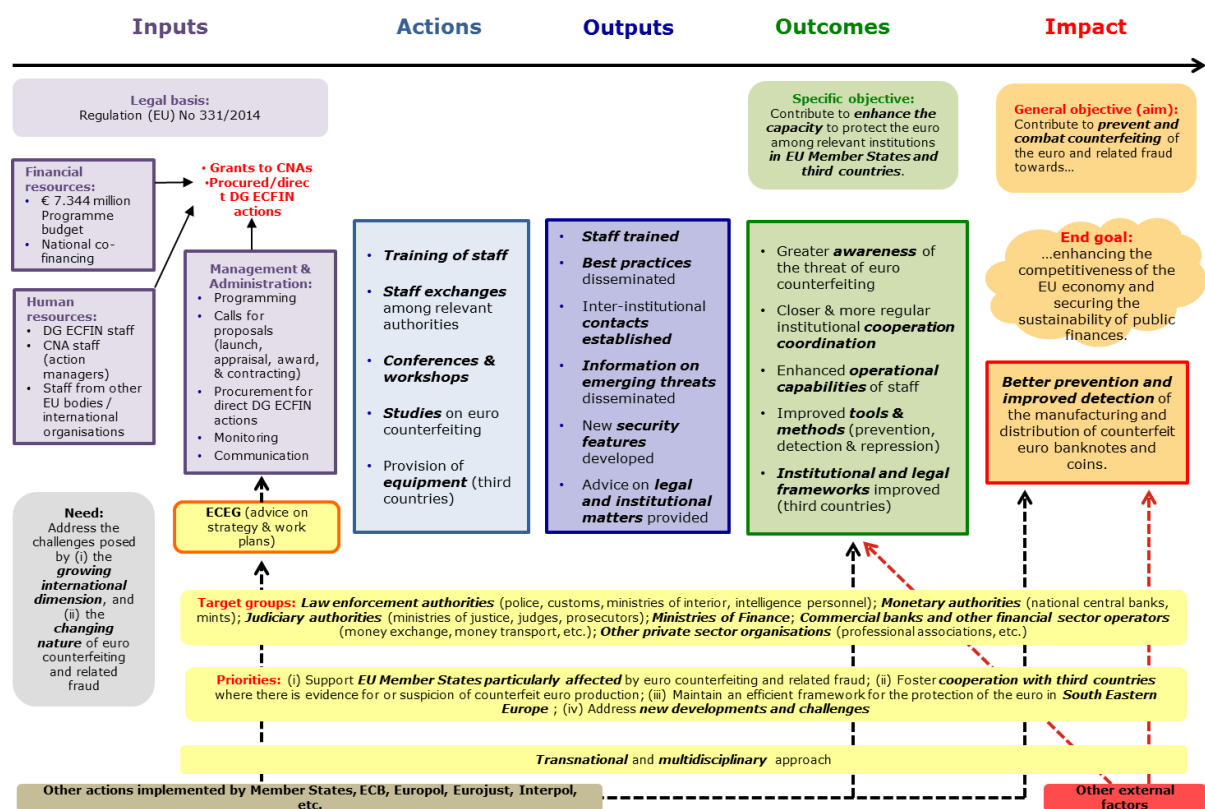
The Programme can broadly be qualified as a *capacity building, information dissemination and networking initiative*. Its activities are aimed at: (i) raising awareness of the threat posed by euro counterfeiting; (ii) promoting closer and more regular coordination and cooperation among relevant institutions; (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.

The Programme 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 the adoption of a common approach to euro protection by the target groups mentioned hereafter; 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.

In line with its multidisciplinary approach, *the Programme 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.).

*The Programme's strategy focuses on four priority areas*, namely: (i) supporting EU MS particularly affected by euro counterfeiting; (ii) fostering cooperation with third countries where there is evidence for or suspicion of counterfeit euro production; (iii) maintaining an efficient framework for the protection of the euro in South Eastern Europe; and (iv) addressing new developments and challenges. The Programme's priorities areas updated on an annual basis and are endorsed by the ECEG, a group of national counterfeit experts from all 28 MS as well as representatives from the Commission, ECB, and Europol and are incorporated in the AWP<sup>1</sup>.

**Figure 1: Programme’s Intervention Logic for the period 2014-2020**



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:

<sup>1</sup> C(2016) 316 final ([https://ec.europa.eu/info/sites/info/files/annex\\_838024\\_en.pdf](https://ec.europa.eu/info/sites/info/files/annex_838024_en.pdf)).  
 C(2015) 2473 final ([https://ec.europa.eu/info/sites/info/files/commission\\_decision\\_annex\\_en.pdf](https://ec.europa.eu/info/sites/info/files/commission_decision_annex_en.pdf)).  
 C(2014) 3427 final.

- 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.

### 3. EVALUATION QUESTIONS

#### Evaluation Framework

The Evaluation covered all the *five evaluation criteria* typically used in the assessment of EU programmes, namely: (i) relevance; (ii) effectiveness; (iii) efficiency; (iv) EU added value; (v) coherence. In addition the evaluation also considered a sixth criteria: (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.

The specific aspects analysed by the Evaluation were detailed in a set of *15 Evaluation Questions* (EQ) listed in the Terms of Reference (TOR)<sup>2</sup> and linked to the six evaluation criteria.

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<sup>2</sup> The EQ were amended by the ISSG after the engagement of the contractor.

## 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?

### 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 the Regulation?

### 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?



## 4. METHOD

An Inter-Service Steering Group<sup>3</sup> (ISSG) was established and a third party contractor was engaged to undertake the work of the evaluation. The specific contract for the Evaluation became effective on 4 August 2016 and expired on 30 June 2017. The Evaluation was carried out in line with the principles commonly applied for the evaluation of EU initiatives, as enshrined in the Better Regulation Guidelines. The first step was the firming up of the evaluation framework, taking into account the specific themes 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 the Evaluation study. The methodological approach was discussed at the kick-off meeting with the external contractor and it was endorsed by the members of the ISSG.

### Fact finding

Fact finding work consisted of four components, namely: (i) the review of documentary sources ('Desk Review'); (ii) interviews with the CNAs 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').

- I. 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 (ii) documents concerning the specific actions financed by the Programme over the relevant period and (iii) documents concerning various aspects linked to the Programme and/or the theme of protection of the euro. Overall, the Desk Review entailed the analysis of about 150 documentary sources.
  
- II. Competent National Authorities (CNAs) play a major role in the implementation of Pericles 2020 and interviews with their representatives constituted an *essential part of fact finding work*. Interviews were carried out with **four categories of CNAs**, namely: (i) the CNAs that received funding from the Programme for the implementation of one or more actions ('**Implementers**'); (ii) the CNAs that implemented actions under the previous Pericles Programme, but did not apply for funding under Pericles 2020 ('**Former Implementers**');(iii) the CNAs that have never applied for funding under either Pericles 2020 or its predecessor ('**Non Applicants**'); and (iv) the CNAs 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 the ISSG. In order to facilitate interactions with the interviewees, the questionnaires were made available in three languages (English, French and Spanish). A total of **35 CNAs** were interviewed, meaning that more than one third of all the national

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<sup>3</sup> The ISSG was composed by representatives of ECFIN, SG and JUST (see Annex I). Moreover, representatives of other Commission services (DG HOME, DG JUST, DG NEAR, and OLAF) running similar or complementary programmes and representatives of the ECB and the Central Bank Counterfeit Deterrence Group (CBCDG) were involved in the evaluation as well in their role as stakeholder (see Annex 1).

institutions categorised as CNAs. The representativeness of the exercise is further enhanced by the *wide geographical coverage of interviews*, with at least one CNAs 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.

- III. 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'*).
- IV. The Survey of Participants targeted the individuals who had taken part in Pericles 2020 actions committed over the period analysed. 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). The surveyed individuals were contacted via email and invited to access the dedicated portal. The survey remained open for four weeks over the February – March 2017 period and progress was constantly monitored (non-respondents received two reminders). *A total of 227 valid responses were received representing a response rate of almost 44%*. Overall, this must be regarded as an extremely positive result, well above the 100 replies envisaged by the external contractor in the Inception Report. The Survey questions were structured in such a way as to enable clear analysis of the evaluation questions within the Terms of Reference.

Due to the specific character and scope of the Programme as well as the confidential nature of some of its activities, combined with the fact that extensive consultations with stakeholders were to be carried out, the Evaluation was exempted from the standard OPC under Better Regulation.

### **Analytical work**

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 indicator. 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 by the external contractor with the assistance of the staff responsible for the Programme's management in DG ECFIN and with staff of other Commission services.

Much of the evidence collected is of a qualitative nature (e.g. views on the severity of 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 originated from different sources (documents, interviews, survey) and/or were 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 CNAs, etc.). The data collected cover the period January 2014 – June 2016.

## **Data Limitations and Methodological Issues**

The Evaluation faced two gaps in documentary sources. The first refers to the *unavailability of some Action Documents* as some of the Programme's actions were completed only in late 2016 and the related Technical and Financial Reports were not yet available at the time of writing. This did not affect the overall conclusions, but somewhat reduced the significance of certain parts of the analysis, especially regarding the assessment of cost effectiveness as some documentation relating to the evaluation period was not available. The second gap refers to a *scarcity of wider 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, distribution of respondents) that are inevitably reflected in the work presented here. Nevertheless, the high response rate in the Survey of Participants should ensure a fairly degree of representativeness of results.

In consideration of the above, it can be concluded that the limitations encountered didn't affect the reliability of the exercise.

## **5. IMPLEMENTATION STATE OF PLAY (RESULTS)**

### **Budget and Management**

The Programme has a total budget of € 7.344 million for the 2014 – 2020 period, i.e. around € 1 million per year. Funds are used for: (i) the provision of grants to CNAs interested in implementing actions ('CNAs-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 CNAs-implemented actions and 30% to direct actions.

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. Activities are undertaken on the

basis of a yearly updated rolling strategy and Annual Work Programmes (AWP)<sup>4</sup>. Advice on the strategic orientations of and planning for the Programme is provided by the ECEG.

## Operating Modalities

**Pericles 2020 actions are implemented through the provision of grants to CNAs 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.**

CNAs-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 the Programme'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 in Article 10(4) of the Regulation, the Programme's maximum financial contribution is normally set at **75% of eligible costs**, but in certain duly justified cases<sup>5</sup> it can be increased **up to 90%**.

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*. Upon completion, results are summarised in a report similar to the Technical Reports required for CNAs-implemented actions.

## Actions Implemented – Overview

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 10 CNAs. The CNAs 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 CNAs involved in the implementation of Pericles 2020 actions are listed in the table below.

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<sup>4</sup> See footnote n.2

<sup>5</sup> In 2016 such duly justified cases included in particular: conferences, seminars and workshops taking place in third countries identified as a priority in the Pericles 2020 Strategy; actions addressing distribution of counterfeits and high quality components on the internet ; actions addressing the involvement of Member States' customs authorities in the fight against currency counterfeiting; actions introduced by competent national authorities that did not apply for Pericles funding in the calendar years 2013, 2014 and 2015.

[https://ec.europa.eu/info/sites/info/files/annex\\_838024\\_en.pdf](https://ec.europa.eu/info/sites/info/files/annex_838024_en.pdf)

**Table 1: CNAs Involved in the Implementation of Pericles 2020 Actions**

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

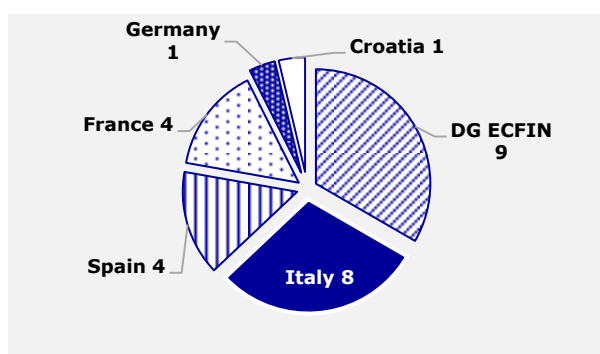
The 27 actions had an initial total budget of about **€ 2.8 million**, involving an EU financing of about € 2.3 million. The value of the actions varies considerably, with EU funding ranging from less than € 10,000 to more than € 250,000, and an average value of some € 100,000. The Programme's actions 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 below, DG ECFIN and the Italian, French, and Spanish CNAs 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.

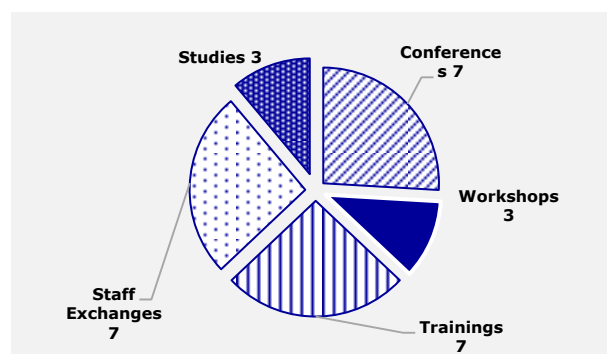
## Overview of Actions Implemented

**Figure 2: Number of Actions**

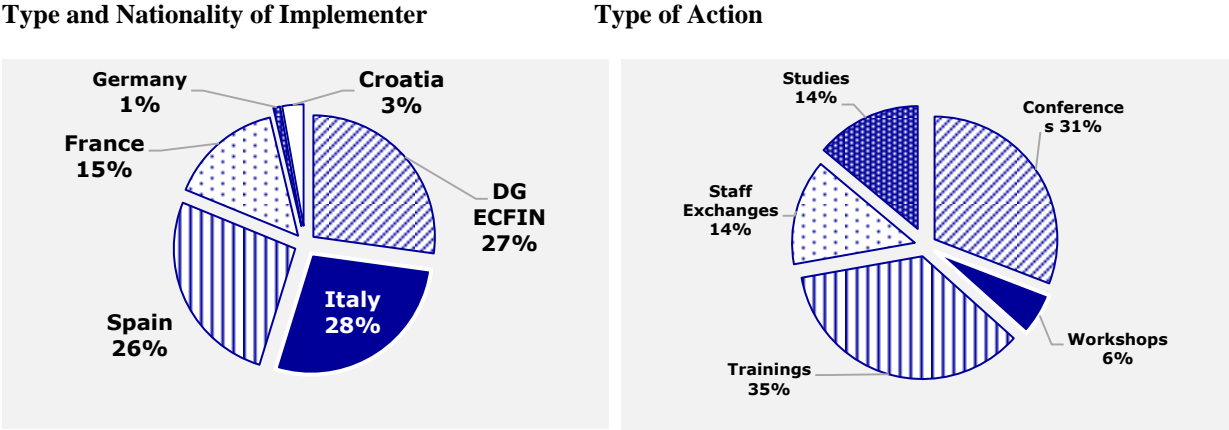
**Type and Nationality of Implementer**



**Type of Action**



**Figure 3: Budget of Actions**



CNAs are requested through the ECEG to provide data related to law enforcement activities on an annual basis. These data are used to monitor the key performance indicators (KPIs) as specified in Article 4 of the Regulation; namely, the number of counterfeit detected, illegal workshops dismantled, individuals arrested and penalties imposed. Due to reporting limitations by CNAs, data on penalties imposed are not available.

**Table 2: KPIs state of play**

KPIs	2014	2015	2016
Counterfeit notes detected	838000	899000	684000
Counterfeit coins detected	192195	146899	150258
Workshops dismantled	37	32	NA
Individuals arrested	7946	8879	NA
Penalties imposed	NA	NA	NA

Data from stakeholders (e.g.: CNAs, implementers and participants) provided a major source of evidence to inform the evaluation.

**6. ANSWERS TO THE EVALUATION QUESTIONS**

The Evaluation study, prepared by the external contractor, has adequately addressed the evaluation questions and thus met the requirements set in the TOR. Therefore, the ISSG fully endorsed the results of the study, as summarized here below:

**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?*

The study concludes 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

counterfeiting ratios are 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 the Programme's 'core business', is regarded as an essential element to safeguard the euro. Regarding EU MS and particularly Euro area MS, most CNAs have reached a good, sometimes excellent, level of preparedness, but ***some gaps still exist or may emerge due to the evolving nature of the threat***. Most stakeholders concur that ***institutional strengthening needs are still substantial***.

The Commission shares the findings of the study, and considers that, despite the fact that the phenomenon seems to be currently under control, counterfeiting continues to be a major threat to the euro. The increased number of counterfeit banknotes, the rise of 'sophisticated' counterfeits, the increasing availability of technology and the interest in counterfeiting of Organised Crime Groups require our continuous attention.

- ***EQ#3 To what extent are the priorities of the Programme relevant to achieve its general and specific objectives?***

The study shows that the Programme's priorities are aligned with needs. The 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.). ***Thematic priorities are also aligned with needs***, with the strong focus on counterfeiting through the internet highly praised by stakeholders.

The Commission is of the opinion that it is indicative that the priorities, which are included in the Programme's AWP, are updated on an annual basis by the Commission together with ECB and Europol and are endorsed by the ECEG. This will contribute to ensuring that the emerging threats are addressed in a timely manner.

- ***EQ#4 To what extent are the Programme actions and target groups relevant to achieve its general and specific objectives?***

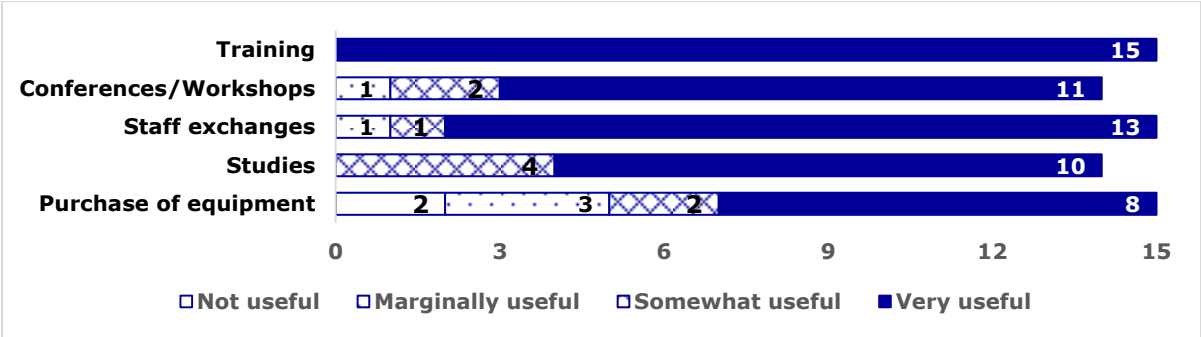
It is recognised that regarding the typologies of actions, ***the Programmes's set of instruments is well suited to the purpose***. Conferences, workshops, trainings and staff exchanges serve different but complementary purposes and are generally highly appreciated by stakeholders. Views are more divided regarding studies, but reservations appear to concern the subject being studied rather than the instrument per se. Moreover, the purchase of equipment to detect and investigate counterfeits by CNAs in MS to be used by third country<sup>6</sup> authorities is

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<sup>6</sup> Non EU countries where counterfeiting activities represent a threat for the euro (e.g.: Colombia, Peru, China).

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.

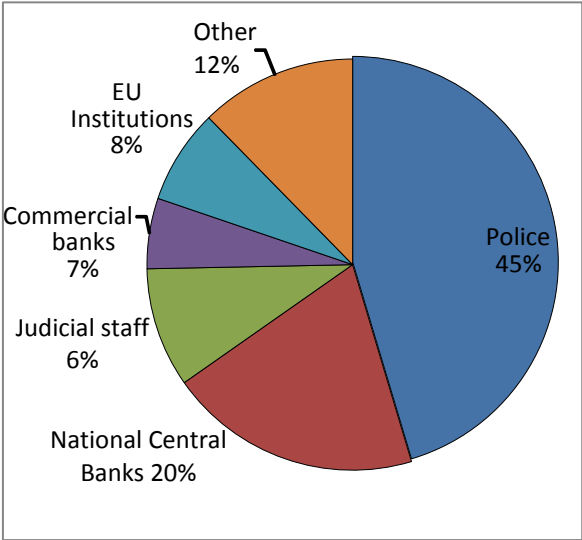
**Table 3: Usefulness of types of actions**



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.

Considering the variety of actors that play an important role in protecting the euro counterfeiting (technical experts, law enforcement, judiciary, etc.), the Commission's approach for implementing the Pericles programme has traditionally been based on bringing together experts from all relevant disciplines and MS, as well as Europol, Eurojust and the ECB. This also explains the wide typology of actions supported by the Programme as indicated in the graph below. All these actions are indeed extensively used by applicants; a particular case is the 'purchase of equipment' that represents a new tool with respect to the predecessor programme. In this case, the Commission will stimulate CNAs to use this new feature provided in the Programme<sup>7</sup>.

**Figure 4: Professional Background of participants 2014-2016**



<sup>7</sup> One Grant Agreement was already signed in 2017 but the action was out of the scope of this Evaluation.



## Effectiveness

- **EQ#5** *To what extent have the activities financed under the Programme delivered the expected outputs?*

According to the study, the Programme's actions were typically implemented as planned and achieved the intended outputs. ***Actions were usually timely implemented***, with only marginal changes in the work plans. ***The number of participants in events is largely in line with expectations. The quality of the support provided was highly praised by the participants.*** 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 was also judged positively by the institutions involved***, with third country authorities providing a positive assessment on all aspects and CNAs, ECB and Europol appreciating in particular the possibility of establishing new contacts in both MS and third countries and the information acquired on various topics.

The above is also confirmed by the assessment of the Commission's staff participating in almost all Programme's activities and by the following discussions at the ECEG meetings where the results of the activities are presented.

- **EQ#6** *To what extent has the specific objective of the Programme been achieved?*

***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*** are emphasised by third country authorities and by individual participants in the Programme's initiatives. A different situation is found regarding the ***improvements in international cooperation***. In this case, the most positive results were achieved by CNAs, ECB and Europol. Positive developments are also reported by third country authorities and by individual participants, but to a less extent. ***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 Commission welcomes the positive finding of the study and will continue to assist the CNAs in their efforts to develop among themselves and with the Commission a closer regular cooperation and exchange of best practices including also third countries and international organisations.

- **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?

The study specifies that available data on the performance indicators are broadly on track to achieve the intended targets, at the same time it underlines that *these indicators, mostly 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*.

Figure 5: Number of counterfeits detected in circulation: 2014-2016

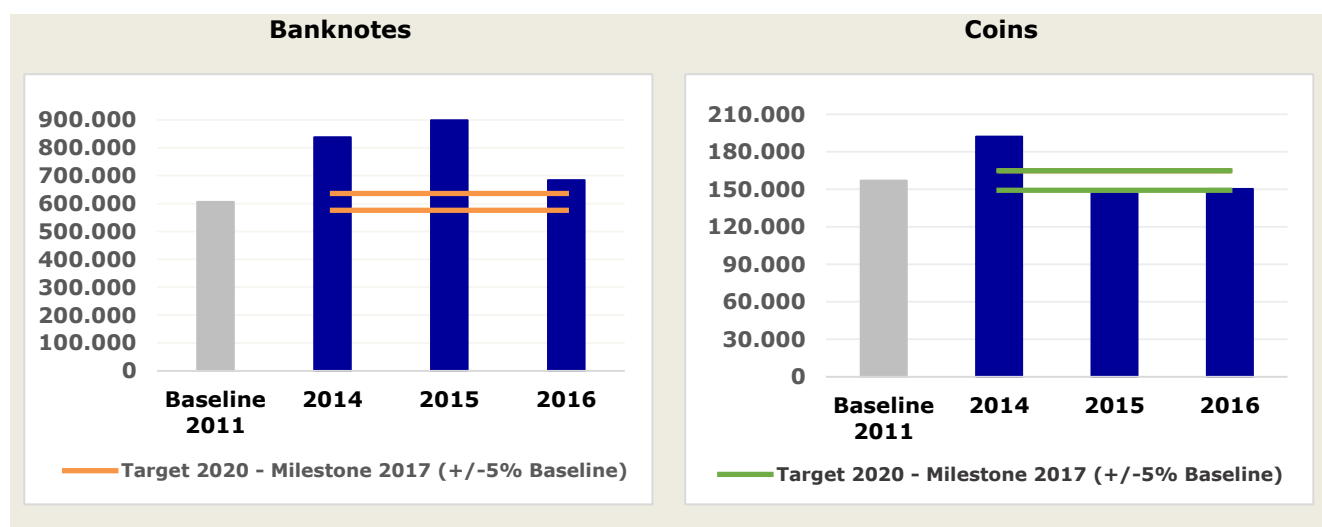
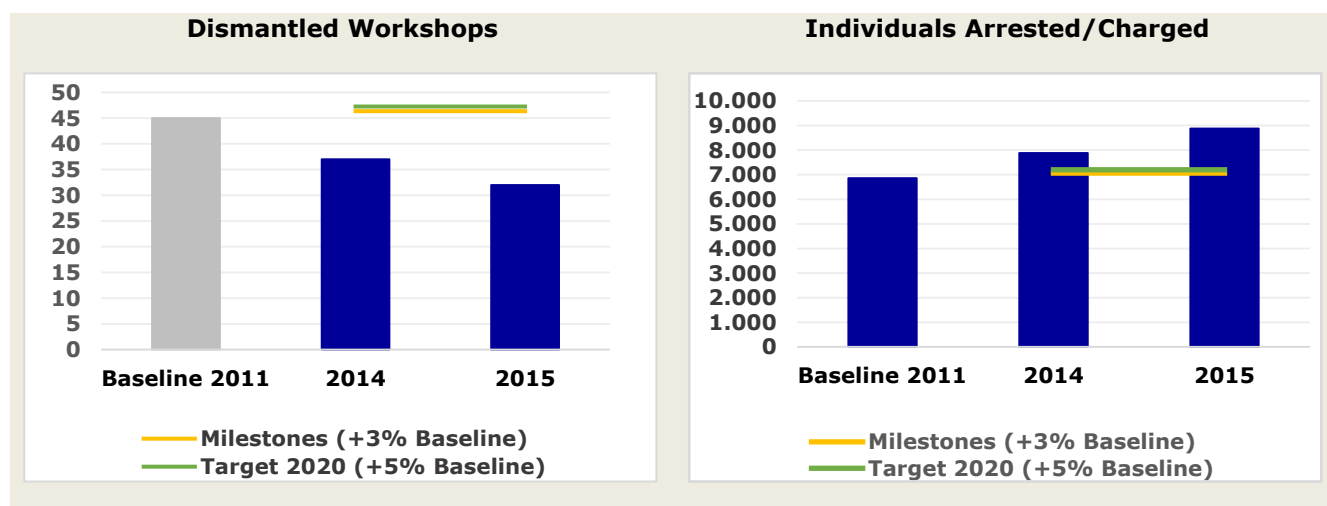


Figure 6: Number of illegal workshops dismantled and individuals arrested/charged: 2014-2016



The Commission acknowledges the fact that direct links between the Programme and the performance indicators can be clearly identified only in selected situations. In this respect, the fact that the external contractor extended the consultation to supported institutions in third countries<sup>8</sup> was very well perceived by the ISSG and has proved vital for the study's results. At the same time the Commission underlines the difficulty of collecting data on indicators such as penalties imposed due to the fact that final judgments may take several years.

From a qualitative point of view, the Commission shares the results of the study underlining that the Programme'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 the Programme 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 effective euro protection activities.

Despite the fact that there are no studies on the economic and social costs of euro counterfeiting, all indications are that such costs are presently minimal. Available data show that the incidence of counterfeiting is significantly lower for the euro than for other leading currencies. These data clearly suggest that euro counterfeiting currently does not pose a significant threat to economic stability and, in particular, does not have any appreciable negative effect on the competitiveness of the EU economy and the sustainability of public finances. It is difficult to assess the contribution of the Programme in keeping the phenomenon of euro counterfeiting under control and, therefore, in achieving EU's higher goals. However, the study mentions a 'counterfactual argument', mentioning that positive results may not be immediately visible but nonetheless exist. 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.

The Commission acknowledges the limitations that the external contractor had in relation to the lack of studies measuring the impact of euro counterfeiting on economic and social costs, and at the same time shares the opinion of the contractor on the a positive role that the Programme played in preserving the integrity of the euro and, hence, in achieving higher EU goals.

### Sustainability

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

Available evidence suggests that the benefits resulting from the Programme's actions may have long lasting effect. The vast majority of participants in the Programme's activities still work for the same institution, and such a remarkable degree of job stability is a good

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<sup>8</sup> Non EU countries whose representatives participated in the Programme (e.g.: Colombia, Peru, Albania, Kosovo, Montenegro, Armenia, Georgia, Morocco, Tunisia).

precursor for sustainability. More important, third country authorities have adopted measures to disseminate the information, contacts, etc. acquired through the participation in the Programme's actions, sometimes reaching a substantial number of staff. Based on the above, the Commission shares the contractor's opinion that *prospects for the continued utilisation of results appear to be favourable*. The Commission acknowledges that the creation of competent authorities<sup>9</sup> in third countries requires investments that could be put at risk if the Programme would not be continued after 2020.

### **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?*

***The institutional arrangements established for the implementation of the Programme are well suited to the purpose according to the study.*** The transfer of responsibilities from OLAF to DG ECFIN was undertaken in an orderly manner 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 CNAs interested in managing the Programme's 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. CNAs implementing the actions do face some challenges, especially in the application stage. However, the time required to prepare an application is reasonable<sup>10</sup> and the assistance provided by the staff in charge of the Programme is appreciated. Despite the fact that some areas in which further improvements are possible have been identified, the study notes that administrative procedures are not an element discouraging participation in the Programme. All things considered, ***while potential small improvements are possible, administrative procedures can be regarded as broadly appropriate.***

The Commission considers the findings of the study very useful in order to further streamline the administrative procedures and elements to reduce the administrative burden on applicants will be followed up.

- **EQ#9** *To what extent is the co-financing rate appropriate?*

As indicated in the study, the increase of the maximum EU contribution compared with the previous Pericles Programme is definitely appreciated by CNAs. An increase of the EU

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<sup>9</sup> Such as National Analysis Centre, Coins National Analysis Centre and the National Central Office (NCO) referred to in the International Convention for the Suppression of Counterfeiting Currency of 20 April 1929.

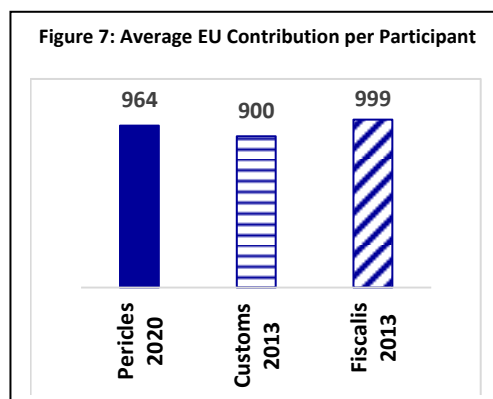
<sup>10</sup> Approximately 8 staff-days on average. Source: interviews with CNAs.

contribution would obviously be welcomed, but it is unlikely to significantly broaden the number of CNAs interested in applying for the implementation of the Programme's 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. According to the outcome of the interviews that the external contractor had with the CNAs, the increase in the EU contribution is unlikely to significantly broaden the number of CNAs 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.* This is endorsed by the Commission.

- **EQ#10** *To what extent are the actions and outputs of the Programme delivered at a reasonable cost?*

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 CNAs are quite reasonable and much lower than typical consultant fees. 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. As indicated by the external contractor, these elements *clearly suggest that the EU budgetary resources deployed for Programme actions are used judiciously, yielding a good value for money.*

Pericles 2020 is a small programme and this inevitably increases the incidence of overhead costs, however the study concludes that *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.* The Commission shares the opinion of the external contractor and agrees with the conclusions of the study.



### EU added value

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

The protection of the European single currency as a public good has a clear transnational dimension, and therefore euro protection goes beyond the interest and the responsibility of individual EU Member States. Considering the cross border circulation of the euro, the deep involvement of international organised crime in euro counterfeiting (production and distribution) and the importance of its protection, national protection frameworks need to be

complemented in order to assure homogeneous national and international cooperation, and to face possible emerging transnational risks. The Programme's added value lies essentially in its ability to support collective forms of international cooperation that are beyond reach of individual national authorities; the provision of dedicated financial resources specifically designed to protect the euro from counterfeiting and political weight provided to reinforce Commission direct actions.

As illustrated in the study, all CNAs 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 could not have been delivered at MS level and would not have been feasible without the Programme. In a similar vein, a discontinuation of the Programme would cause a void and have serious detrimental effects, because it would make impossible to perform the same type of transnational activities on a comparable scale. The Commission concurs with this conclusion.

### 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?*

The fulfilment of the Programme'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, ***the Programme's activities can be regarded as fully complementary and additional to national initiatives, without overlaps.*** The Commission agrees with the conclusions of the study.

- *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?*

The Programme'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 CNAs 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 the Programme's complementarity with other existing initiatives*. The Commission shares the opinion of the contractor.

## 7. CONCLUSIONS

*All the findings converge towards an unambiguously positive overall assessment.* There is room for small improvements, but from the evaluation it is clear that Pericles 2020 *performs 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<sup>11</sup>, *the continuation of the Programme until its natural expiry in 2020, as well as in the future, is recommended* by the external contractor.

The Evaluation identifies the following recommendations:

- **Relevance.** Concerning relevance, continued emphasis on the increasing risks posed by Chinese counterfeiters and the internet is recommended. Chinese counterfeiters 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 CNAs consulted have expressed a *keen interest in further activities*. In the case of the threat coming from Chinese counterfeiters, 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.
- **Efficiency-Fine Tune Administrative Procedures.** In the area of administrative procedures, two themes of potential improvement were identified. The first relates to the *(in)adequacy of daily subsistence rates used for CNAs-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 CNAs 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. 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

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<sup>11</sup> See Article 13(4) and 13(5) of the Regulation.

handling of calls for proposals and/or service contracts.<sup>12</sup> Extending this opportunity to Pericles 2020 would contribute to smooth the interaction between DG ECFIN and applicants and would be certainly appreciated by CNAs.

- **Effectiveness and Sustainability. The Evaluation flags up the need for encouraging greater CNAs participation.** The reasons leading to the non-participation of many CNAs 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. Finally, the Evaluation underlines that the sustainability of achieved results will depend significantly on the continuation of the Programme as a standalone programme until its natural expiry and beyond 2020.
- **Revise Performance Indicators.** The Evaluation underlines that 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 qualitative ones 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 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.

The Commission fully endorses the results and the recommendation of this Evaluation. The Commission will take into account the results and the recommendations of this Evaluation for the management and the implementation of the current Programme until its natural expiry in 2020 and also in view of the preparation of the Impact Assessment for a possible new generation of the Programme under the post-2020 Multi-Annual Financial Framework. In particular, the Commission will continue to prioritise addressing Chinese counterfeiters and the internet among the priorities of the current implementation of the Programme. In addition the Commission will pursue the possibility to introduce on-line applications. At the same

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<sup>12</sup> 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).



time, contacts with the relevant decision makers in MS will be taken forward to raise awareness on the Programme.

Considering the limited budget of the Programme, more reflection is needed for evaluating the possible impact of higher daily subsistence rates on the post-2020 Programme's budget.

With reference to Article 13 (5) of the Regulation, the Commission will consider the recommended modification of the performance indicators when preparing the Impact Assessment for a possible new generation of the Programme under the next Multi-Annual Financial Framework. The Commission will also take into account the recommendation of this Evaluation regarding the importance of continuing the Programme beyond 2020 as an independent programme.

## ANNEX 1: PROCEDURAL INFORMATION

The mid-term evaluation of the Pericles 2020 Programme was led by DG ECFIN. DG ECFIN has lead responsibility for the oversight, implementation and evaluation of the Pericles 2020 Programme.

An Inter-service Steering Group (ISSG) was established to steer the mid-term evaluation. The ISSG was composed of representatives from DG ECFIN, DG JUST and SG. The ISSG was responsible for finalising the evaluation roadmap, establishing the terms of reference for the appointment of an external contract and the quality assessment of each stage of the reporting process. The ISSG met on 4 occasions between 28/04/2016 – 28/03/2017. In addition, the ISSG undertook a significant portion of work by written procedure throughout the evaluation process.

The chronology of the evaluation was as follows:

<b>Date</b>	<b>Task</b>
28/04/2016	Appointment of the Inter-service Steering Group (ISSG) including representatives of ECFIN, SG and JUST
09/06/2016	Evaluation and Fitness Check Roadmap
10/06/2016	Completion of the Consultation Strategy
13/06/2016	ToR sent to Economist Associati
20/07/2016	Final Technical proposal in response to the ToR received from Economisti Associati
04/08/2016	Signature of the specific contract
14/09/2016	ISSG Kick-off meeting
04/11/2016	Draft Inception Report
15/12/2016	ISSG Meeting
21/12/2016	Final Inception Report
14/03/2017	Draft Intermediate Report
28/03/2017	ISSG Meeting
26/04/2017	Final Intermediate Report
16/05/2017	Draft Final Report
30/05/2017	ISSG Meeting
30/06/2017	Final Report

## **Evidence used to inform the evaluation**

A wide range of data sources were used to gather evidence to carry out the evaluation. The initial fact finding work consisted of four components. Each component gathered different forms of information.

### ***1. Desk Research***

The Desk Review involved the analysis of the following three types of documentary sources and 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; (ii) the Programme's strategic and implementation documents; (iii) previous evaluations and impact assessment documents; (iv) reports 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 CNAs. In addition, the analysis was extended to (vi) some documents concerning Pericles 2020's predecessor programme, 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 and yielded useful inputs for the definition of other activities, namely the preparation of the questionnaires and the identification of the CNAs to be contacted.

*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 CNAs and the TOR prepared by DG ECFIN for the direct actions; (ii) the grant agreements with CNAs 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.

*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 counterfeiting; (ii) reports providing an overview of the phenomenon of euro counterfeiting; (iii) documents and other sources concerning other initiatives aimed at supporting the protection of the euro; 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.

## ***2. Interviews with Competent National Authorities***

Interviews were carried out with four categories of CNAs, namely: (i) the CNAs that received funding from the Programme for the implementation of one or more actions ('Implementers'); (ii) the CNAs 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 CNAs 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.

A total of 35 CNAs were interviewed, i.e. more than one third of all the national institutions categorised as CNAs. Considering that some institutions formally classified as CNA are no longer (or de facto are only marginally) involved in euro protection activities, it can be estimated that interviews covered up to half of all the CNAs that could have potentially played a role in the context of the Programme. The quality of the exercise is further enhanced by the wide geographical coverage of interviews, with at least one CNAs interviewed in 22 MS.

## ***3. Interviews with other institutions***

Fact finding work also involved the following two others sets of interviews:

*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. Institutional Interviews were subdivided into four broad categories, namely: (i) DG ECFIN staff involved in the implementation of Pericles 2020; (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. 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 as a result of the Programme are still utilised and deployed. Interviews with Supported Authorities in third countries constituted an innovation compared with the fact-finding activities envisaged by the TOR, aimed at providing a more comprehensive picture of the results achieved by the programme.

#### ***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. 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.

The survey remained open for four weeks over the February – March 2017 period. A total of 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%.

#### ***External expertise***

An external contractor was engaged to undertake the evaluation; the work of the contractor included the development of a comprehensive evaluation framework that sought to gather and analyse a wide range of data from desk research and a detailed consultation strategy. The consultation strategy was extensive and involved interviews with 56 entities as well as the surveying of 227 participants in Programme's actions.

## ANNEX 2: STAKEHOLDER CONSULTATION

A comprehensive consultation strategy was initially developed in advance of the exercise, this was enhanced following the appointment of the external contractor. As a first step an evaluation roadmap was prepared by the ISSG and published centrally<sup>13</sup> to enable citizens to provide feedback on the evaluation process and to insure full transparency.

Owing to the specific character and scope of the Programme as well as the confidential nature of some of its activities, combined with the fact that extensive consultations with stakeholders were to be carried out, the Evaluation was exempted from the standard OPC under Better Regulation.

The targeted stakeholder consultation occurred early in the process and followed the initial desk research and the information gather from stakeholders was used to inform the evaluation process.

The following table includes a detailed summary of the stakeholders consulted, the methodological tools used, the main findings and a qualitative analysis of the relevant consultations:

Stakeholder	Methodological tool	Main findings	Main findings (description)	Qualitative analytical overview
CNAs	Desk research  <i>Review and analysis of Programme documents (grant applications, grant agreements, technical and financial reports)</i>	Networking  Complementarity	<i>Important network across numerous countries (transnational approach) and various types of authorities (multidisciplinary approach.</i>  <i>Valuable role of Pericles 2020 in taking responsibility for specific areas (such as the dark/deep web) and the (difficult) cooperation with certain third countries.</i>	Desk research of Programme documents was essential for the interpretation and reconstruction of the Programme's intervention logic. A total of 35 CNAs were successfully interviewed covering up to half of all the CNAs that could have potentially played a role in the context of the Programme and covering a wide geographical range.

<sup>13</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2016\\_plan\\_025\\_pericles\\_2020\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2016_plan_025_pericles_2020_en.pdf)

	<p>Interviews</p> <p><i>Interviews were carried out with Impementers, Former Impementers, Non applicants and unsuccessful applicants</i></p>	<p>EU value added</p> <p>Coordination at the ECEG</p> <p>Administrative procedures</p>	<p><i>All Implementers claim that they would 'definitely' or 'probably' not have been able to implement the actions without Pericles 2020 support.</i></p> <p><i>“The ECEG meetings are needed and useful to know what is going on – both on the Commission side and in other countries”</i></p> <p><i>Both Former Implementers and Non Applicants agree with the Programme’s strategic orientations. To continue giving priority to emerging threats such as Chinese counterfeiters and internet</i></p> <p><i>Possibility of submitting on line applications.</i></p>	<p>The Commission concurs with the main findings which recognise the high EU added value of the Programme, the important role of the ECEG in coordinating the Programme's implementation and also indicates possible fine tuning of administrative procedures.</p>
Supported Institutions	<p>Interviews</p> <p><i>Interviews were carried out with institutions in third countries that have received support from the</i></p>	Outcomes	<p><i>“More effectively and timely procedures in dealing with suspected counterfeits”;</i></p> <p><i>“Reinforced the capacity to act by commercial banks”;</i></p> <p><i>“Exchange of information and best practices has</i></p>	<p>Interviews with Supported Authorities in third countries constituted an innovation compared with the fact-finding activities envisaged by the TOR and provided a more comprehensive</p>

	<i>Programme</i>	<p>Impact</p> <p>Overall assessment</p>	<p><i>allowed us to define possible risks and prepare possible measures”.</i></p> <p><i>Supported Institutions based in South Eastern Europe mention a significant contribution in improving the legal framework.</i></p> <p><i>In Latin America, some institutions report a clear, direct contribution of Pericles 2020 (and its predecessor) in the implementation of a number of successful police operations.</i></p> <p><i>“The seminars are of very high quality, very informative and focused”; “Pericles has given us a lot of experience over the years”.</i></p> <p><i>All Supported Institutions state that they are ‘definitely’ interested in other Pericles 2020 initiatives in the future.</i></p>	<p>picture of the results achieved by the Programme.</p> <p>The findings of the interviews effectively demonstrate the concrete impact and the long term outcomes of the Programme, which are closely linked with the Programme's capacity to guarantee their sustainability.</p>
Other Institutions	<p>Desk research</p> <p><i>Review and analysis of relevant documentation (legal texts, reports, existing literature)</i></p>	<p>Strategy</p> <p>Complementarity</p>	<p><i>Agreement with the Programme’s strategic orientations.</i></p> <p><i>Complementarity between Pericles 2020 and instruments managed by other Institutions.</i></p>	<p>The analysis of relevant documentation proved useful for addressing various aspects in understanding the phenomenon of euro counterfeiting. Essential information was collected through targeted interviews on a wide range of topics with 12 entities actively</p>



	<p>Interviews</p> <p><i>Interviews were carried out with relevant European Institutions and other international bodies involved</i></p>			<p>involved in euro protection activities. The Programme shows its specificity as well as its complementarity with the instruments managed by other Institutions.</p>
Participants	<p>Survey</p> <p><i>A survey was conducted through an online questionnaire which was open for four weeks</i></p>	<p>Networking</p> <p>Operational capabilities</p>	<p><i>High appreciation concerning the ability to acquire practical skills and the establishment of professional contacts in EU MS. Views are also globally positive albeit less enthusiastic regarding the establishment of professional contacts in third countries. Contribution to the enhanced cooperation among the various entities involved.</i></p> <p><i>General strengthening of operational capabilities. Several Latin American respondents report an improvement in the ability to detect counterfeited euro banknotes. Several respondents from various</i></p>	<p>The questionnaire was well designed, was relatively short and concise, incentivising participation. The opening period was adequate, resulting in a high response rate which was an extremely positive result above expectations. The findings show that the Programme proves to have a direct impact on the daily work of anti-counterfeiting experts and contributed to enhance cooperation among experts in different countries.</p>

			<p><i>countries report an improvement in “crime investigation methodologies”. Participants from various countries mention an improvement in the general level of preparedness.</i></p>	
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Stakeholder consultations have resulted in recommendations likely to further enhance the effectiveness of the Programme. Prioritising threats from Chinese counterfeiters and from the internet, as well as an on-line application procedure emerge as key among them. The Commission will continue involving the ECEG experts in the implementation of the the Programme by sharing the plans for future activities, discussing the feedback of the implemented actions, identifying priorities and elaborating the strategy of implementation. Given the positive results of the Evaluation and considering the importance of ensuring sustainability, the Commission will prepare an Impact Assessment for a possible new generation of the Programme under the next Multi-Annual Financial Framework.