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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 31 May 2018

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2018) 369 final

Subject: 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 for the period 2021-2027 (the
"Pericles IV programme")

Delegations will find attached document COM(2018) 369 final.

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Brussels, 31.5.2018
COM(2018) 369 final

2018/0194 (COD)

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 for the period 2021-2027 (the 'Pericles IV programme')

{SWD(2018) 281 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This proposal provides for a date of application as of 1 January 2021 and is presented for a Union of 27 Member States, in line with the notification by the United Kingdom of its intention to withdraw from the European Union and Euratom based on Article 50 of the Treaty on European Union received by the European Council on 29 March 2017.

- **Reasons for and objectives**

The euro is, as the single currency of the Union, a core European interest, the integrity of which needs to be protected in all its dimensions. Counterfeiting of the euro poses a true problem for the Union and for its institutions. Its threats are still substantial, as demonstrated by the increasing availability of high quality counterfeit euro's and security features on the internet/darknet and the existence of counterfeiting hotspots, e.g. in Colombia, Peru and China. Counterfeits harm citizens and businesses that are not reimbursed for counterfeits even if received in good faith. More generally, it impacts the legal tender status of and trust of citizens and businesses in genuine euro notes and coins.

- **Consistency with existing policy provisions**

Since the introduction of the euro as a single currency, there is the need to protect the euro against counterfeiting at EU level and to have a specific programme dedicated for this purpose. The current "Pericles 2020" programme is specifically dedicated to the protection of euro banknotes and coins against counterfeiting¹, and was established by Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014².

Pericles 2020's distinct transnational and multi-disciplinary³ approach and focus on capacity-building to protect the euro makes it unique among EU-level programmes. Other Union's policies such as the Police instrument of the Internal Security Fund (ISF Police) and the Technical Assistance and Information Exchange (TAIEX) instrument may be viewed as complementary as confirmed by several national authorities⁴.

This legislative proposal concerns the initiative to continue the Pericles 2020 programme beyond 2020.

¹ It replaces the Pericles programme that was established in 2001 and ran during the period 2002-2013, and its application was extended to the non-participating Member States by Council Regulation (EU) 2015/768 of 11 May 2015.

² Regulation (EU) No 331/2014 of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (OJ L 103, 5.4.2014, p. 1). That Regulation repealed Council Decisions 2001/923/EC, 2006/75/EC, and 2006/849/EC.

³ Police, judicial authorities, national central banks, technical analysis laboratories and scientific institutions can all be included in Pericles 2020 actions.

⁴ Commission Staff Working Document SWD(2017) 443 final 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), 6 December 2017.

- **Consistency with other Union policies**

A solid protection of the euro against counterfeiting forms an essential component of security as one of the focal points of EU action, as noted in the reflection paper on the future of the EU's finances. The prevention and combatting of counterfeiting and related fraud preserves the integrity of the euro system, thereby enhancing the competitiveness of the EU's economy and securing the sustainability of public finances. It is therefore also directly linked to the Union's objective to improve the efficient functioning of the Economic and Monetary Union.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Union's legislation concerning the protection of the euro against counterfeiting falls within the scope of Article 133 of the Treaty on the Functioning of the European Union (TFEU). This provision provides that the European Parliament and the Council, acting in accordance with the ordinary legislative procedure shall, after consultation of the European Central Bank, lay down the measures necessary for the use of the euro as the single currency. The application of the Pericles programme will be extended to the Member States whose currency is not the euro, through a proposal for a parallel Regulation based on Article 352 TFEU.

- **Subsidiarity (for non-exclusive competence)**

This proposal complies with the principle of subsidiarity. 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 and the deep involvement of international organised crime in euro counterfeiting (production and distribution), national protection frameworks need to be complemented by an EU initiative to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks.

According to the midterm evaluation of the Programme, "The Programme's added value lies essentially in its ability to support forms of international cooperation that are beyond reach for national authorities, due to its unique transnational dimension⁵." The Programme has clearly promoted transnational and cross-border cooperation within the EU as well as internationally ensuring a global protection of the euro against counterfeiting, and has in particular, taken responsibility for countering specific emerging threats (such as the deep/dark web) and the (challenging) relationship with certain countries (for instance China) as it is difficult for individual Member States to effectively address these threats on their own. Initiatives such as the establishment of a dialogue with Chinese anti-counterfeiting authorities⁶ and support to euro protection activities in Latin America⁷ would not have been feasible without the Programme. Research on innovative security features of second generation euro coins also falls into this category of transnational themes.

⁵ Economisti Associati, Mid-Term Evaluation of the Pericles 2020 Programme – Final Report, 27 June 2017, p. 64-70.

⁶ To address the threat of counterfeited security features (such as holograms) of euro banknotes.

⁷ To address euro counterfeiting hotspots in Colombia and Peru.

- **Proportionality**

The proposed Regulation is necessary, suitable and appropriate for achieving the desired end. It proposes to efficiently strengthen cooperation among the Member States and between the Commission and the Member States, without restricting Member States' capability to protect the euro against counterfeiting. Action at Union level is justified as it clearly assists Member States in collectively protecting the euro and encourages the use of common Union structures to increase cooperation and information exchange between competent authorities⁸.

- **Choice of instrument**

The proposed instrument is a Regulation, in continuity with Regulation (EU) No 331/2014 establishing the Pericles 2020 programme. The Regulation has proven to provide the legal certainty required for an effective protection of the euro against counterfeiting which could not have been achieved by means of other legal instruments.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Retrospective evaluations/fitness checks of existing legislation**

A mid-term evaluation of the Programme was carried out by an independent contractor on the basis of Art 13(4) of Regulation (EU) No 331/2014. The Commission adopted Communication COM(2017) 741 to the European Parliament and to the Council on the results of the Mid-Term Evaluation of the programme on 6 December 2017, in which it shares the conclusion that the Programme should continue until its natural expiry in 2020, supports the continuation of the Programme beyond 2020 given its EU added value, its long-term impact and sustainability, and concurs with the assessment of the Evaluation on the continuation of the Programme as a standalone programme beyond 2020⁹. The independent evaluation concludes that all findings converge towards an unambiguously positive overall assessment regarding its EU added value, coherence, relevance, effectiveness, sustainability and efficiency. To further strengthen the efficiency of the programme, the evaluation suggested:

- encouraging greater participation of Competent National Authorities¹⁰: consideration should be given to the establishment of contacts with national decision makers to ensure that the opportunities offered by the Programme are well understood;
- simplifying the application process: the possibility of submitting applications and other relevant documentation online should be explored;
- strengthening the monitoring process: A possible modification of the Programme's key performance indicators to include qualitative indicators is recommended.

⁸ As stated in recital 13 of Regulation (EU) No 331/2014 of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (OJ L 103, 5.4.2014, p. 1).

⁹ Communication COM(2017) 741 final - 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), 6 December 2017.

¹⁰ The Competent National Authorities are the authorities designated by the Member States for the fight against counterfeiting, and include Police, judicial authorities, national central banks and mints. The full list can be found in the Official Journal (2015/C 264/02).

- **Stakeholder consultations**

The theme of the protection of the euro against counterfeiting and the MFF proposal on the continuation of the Pericles 2020 programme was included in the Public consultation on EU funds in the area of security, for which the consultation period was 10 January 2018 to 9 March 2018. A total of 153 contributions were received from private and public stakeholders, out of which 20 (13, 07%) specifically referred to the Pericles 2020 programme.¹¹ Those respondents underlined the high relevance of the Pericles 2020 the programme, with 50% specifically highlighting the programme's EU added value in ensuring international cooperation. As for a need to modify or add to the objectives of the programmes/funds in this policy area opinions were divided, with four respondents proposing to maintain the level of funding as it is and three respondents being in favour of an increase of funds.

- **Impact assessment**

In line with the requirements set out by the EU Financial Regulation [*insert reference*], programmes which provide continuity as regards content and structure or have a relatively small budget, do not require an impact assessment but rather an ex ante evaluation in the form of a Staff Working Document. The ex-ante evaluation SWD (SWD(2018) 281) accompanying this proposal fulfils the Better Regulation requirements.

- **Simplification**

The midterm evaluation of the Pericles 2020 programme suggests, as simplification measure for the continuation of the Programme, to make available the possibility to submit applications and other relevant documentation online. Furthermore, to simplify the financial implementation of Pericles 2020 grants, a unit cost for subsistence¹² has been introduced in 2017.

4. BUDGETARY IMPLICATIONS

The financial envelope for the implementation of the programme for the period 2021-2027 shall be EUR 7 700 000 in current prices. This amount is in line with the Commission proposal for the next Multiannual Financial Framework for the period 2021-2027¹³. The legislative financial statement attached to this proposal for a Regulation sets out the budgetary implications and the human and administrative resources needed.

5. OTHER ELEMENTS

- **Monitoring, evaluation and reporting arrangements**

In the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on better law-making the three Institutions agreed to establish reporting, monitoring and evaluation requirements in legislation, while avoiding overregulation and administrative burdens, in particular on Member States.

In line with the Interinstitutional Agreement and Article 12 and Article 13 of the proposal:

¹¹ Question 6 of the questionnaire: "*Please let us know whether you have experience with one or more of the following funds and programmes*".

¹² A unit cost for the daily subsistence allowance is intended to cover subsistence expenses for a given country (lunch and dinner, local transportation and other personal expenses).

¹³ Insert reference once available.

- annual information on results, including consistency and complementarily with other EU programmes, shall be provided to the European Parliament and to the Council, taking into account the indicators set out in the Annex to this proposal;
- an interim evaluation of the Programme shall be performed once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation; and
- at the end of the implementation of the Programme, but no later than two years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.

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 for the period 2021-2027 (the 'Pericles IV programme')

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 133 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank¹⁴

Acting in accordance with the ordinary legislative procedure¹⁵

Whereas:

- (1) The Union and the Member States have set themselves the objective of laying down the measures necessary for the use of the euro as a single currency. Those measures include protecting the euro against counterfeiting and related fraud, thus empowering the effectiveness of the Union's economy and securing the sustainability of public finances.
- (2) Council Regulation (EC) No 1338/2001¹⁶ provides for exchanges of information, cooperation and mutual assistance, thereby establishing a harmonised framework for the protection of the euro. The effects of that Regulation were extended by Council Regulation (EC) No 1339/2001¹⁷ to those Member States which have not adopted the euro as their single currency, so as to provide an equivalent level of protection for the euro throughout the Union.
- (3) Actions with the aim of promoting exchanges of information and staff, technical and scientific assistance and specialised training help significantly to protect the Union's single currency against counterfeiting and related fraud and therefore to attain a high and equivalent level of protection across the Union, whilst demonstrating the Union's ability to tackle serious organised crime.

¹⁴ [OJ C 137, 12.5.2012, p. 7.](#)

¹⁵ Position of the European Parliament of 11 December 2013 (not yet published in the Official Journal) and decision of the Council of 11 March 2014.

¹⁶ Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting ([OJ L 181, 4.7.2001, p. 6.](#))

¹⁷ 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 ([OJ L 181, 4.7.2001, p. 11.](#))

- (4) A programme for the protection of the euro against counterfeiting contributes to raising the awareness of Union citizens, improving the protection of the euro, especially through the constant dissemination of results of actions supported by that programme.
- (5) Past support for such actions, through Council Decisions [2001/923/EC](#)¹⁸ and [2001/924/EC](#)¹⁹, which were subsequently amended and extended by Council Decisions [2006/75/EC](#)²⁰, [2006/76/EC](#)²¹, [2006/849/EC](#)²², [2006/850/EC](#)²³ and Regulation (EU) No 331/2014 of the European Parliament and of the Council²⁴, has made it possible to enhance the actions of the Union and the Member States in the field of the protection of the euro against counterfeiting. The objectives of the programme for the protection of the euro against counterfeiting ('the Pericles programme') for the periods 2002-2006, 2007-2013 and 2014 until 2017²⁵ have been successfully achieved.
- (6) In the Communication to the European Parliament and to the Council on the mid-term evaluation of the Pericles 2020 Programme, the Commission came to the conclusion that the continuation of the Pericles 2020 programme beyond 2020 should be supported, given its EU added value, its long-term impact and the sustainability of its actions.
- (7) The advice contained in the mid-term evaluation was that actions financed under the Pericles 2020 Programme should be continued, taking into account possibilities to simplify the submitting of applications, to encourage differentiation of beneficiaries, to continue focusing on emerging and recurrent counterfeiting threats and to streamline the key performance indicators.

¹⁸ Council Decision [2001/923/EC](#) of 17 December 2001 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles' programme) ([OJ L 339, 21.12.2001, p. 50](#)).

¹⁹ Council Decision [2001/924/EC](#) of 17 December 2001 extending the effects of the Decision establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting ('Pericles' programme) to the Member States which have not adopted the euro as the single currency ([OJ L 339, 21.12.2001, p. 55](#)).

²⁰ Council Decision [2006/75/EC](#) of 30 January 2006 amending and extending Decision [2001/923/EC](#) establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) ([OJ L 36, 8.2.2006, p. 40](#)).

²¹ Council Decision [2006/76/EC](#) of 30 January 2006 extending to the non-participating Member States the application of Decision [2006/75/EC](#) amending and extending Decision [2001/923/EC](#) establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) ([OJ L 36, 8.2.2006, p. 42](#)).

²² Council Decision [2006/849/EC](#) of 20 November 2006 amending and extending Decision [2001/923/EC](#) establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) ([OJ L 330, 28.11.2006, p. 28](#)).

²³ Council Decision [2006/850/EC](#) of 20 November 2006 extending to the non-participating Member States the application of Decision [2006/849/EC](#) amending and extending Decision [2001/923/EC](#) establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the Pericles programme) ([OJ L 330, 28.11.2006, p. 30](#)).

²⁴ Regulation (EU) No 331/2014 of the European Parliament and of the Council of 11 March 2014 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) and repealing Council Decisions [2001/923/EC](#), [2001/924/EC](#), [2006/75/EC](#), [2006/76/EC](#), [2006/849/EC](#) and [2006/850/EC](#) ([OJ L 103, 5.4.2014, p. 1](#)).

²⁵ Communication from the Commission to the European Parliament and to the Council on the mid-term evaluation of the Pericles 2020 Programme of 6.12.2017 ([COM \(2017\) 741 final](#)).

- (8) Therefore a new Programme for the period 2021-2027 (the ‘Pericles IV programme’) should be adopted. It should be ensured that the Pericles IV programme is consistent with, and complementary to, other relevant programmes and actions. The Commission should therefore carry out all the necessary consultations with regard to evaluating needs for the protection of the euro with the principal parties involved, in particular the competent national authorities designated by the Member States, the European Central Bank and Europol, within the committee referred to in Regulation (EC) No 1338/2001, particularly as regards exchanges, assistance and training, for the purpose of the application of the Pericles IV programme.
- (9) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.
- (10) This Regulation complies with the principles of added value and proportionality. The Pericles IV programme should facilitate cooperation among the Member States and between the Commission and the Member States in order to protect the euro against counterfeiting, without impinging on Member States’ responsibilities, and using resources more efficiently than could be done at national level. Action at Union level is necessary and justified as it clearly assists Member States in collectively protecting the euro and encourages the use of common Union structures to increase cooperation and information exchange between competent authorities.
- (11) The Pericles IV programme should be implemented in accordance with the multiannual financial framework laid down in *[reference to the post 2020 MFF Regulation Council Regulation (EU, Euratom) .../2018]*.
- (12) In order to ensure uniform conditions for the implementation of the Pericles IV programme, implementing powers should be conferred on the Commission. The Commission should adopt annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for actions. The exceptional and duly justified cases, in which an increase in co-financing is necessary in order to give the Member States greater economic flexibility, thus enabling them to carry out and complete projects to protect and safeguard the euro in a satisfactory manner, should be part of the annual work programmes.
- (13) This Regulation lays down a financial envelope for the Pericles IV programme which is to constitute the prime reference amount, within the meaning of *[reference to be updated as appropriate according to the new inter-institutional agreement: point 17 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management]*, for the European Parliament and the Council during the annual budgetary procedure.

- (14) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013²⁶ of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2185/96²⁷ and Council Regulation (EU) 2017/1939²⁸, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Council Regulation (EU) 2017/1939, the European Public Prosecutor's Office may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests and grant the necessary rights and access to the Commission, OLAF, the EPPO, and the European Court of Auditors (ECA).
- (15) The Commission should present to the European Parliament and to the Council a mid-term evaluation report on the implementation of the Pericles IV programme and a final evaluation report on the achievement of its objectives.
- (16) Regulation (EU) No 331/2014 should therefore be repealed.
- (17) It is appropriate to ensure a smooth transition without interruption between the Pericles 2020 programme and the Pericles IV programme and it is appropriate to align the duration of the Pericles IV programme with [reference to the post 2020 MFF Regulation] Regulation (EU, Euratom) .../2018²⁹. Therefore, the Pericles IV programme should apply from 1 January 2021,

HAVE ADOPTED THIS REGULATION:

CHAPTER I GENERAL PROVISIONS

Article 1 Subject matter

This Regulation establishes the Pericles IV Programme, an exchange, assistance and training programme for the protection of the euro against counterfeiting ('the Programme').

It lays down the objectives of the Programme, the budget for the period from 1 January 2021 to 31 December 2027, the forms of Union funding and the rules for providing such funding.

²⁶ [OJL 248, 18.9.2013, p.1.](#)

²⁷ [OJL 292, 15.11.1996, p.2.](#)

²⁸ [OJL 283, 31.10.2017, p.1.](#)

²⁹ *See official Journal.*

Article 2
Programme objectives

1. The Programme has the following general objective:
To prevent and combat counterfeiting and related fraud, thus enhancing the competitiveness of the Union's economy and securing the sustainability of public finances.
2. The Programme has the following specific objective:
To protect euro banknotes and coins against counterfeiting and related fraud, by supporting and supplementing the measures undertaken by the Member States and assisting the competent national and Union authorities in their efforts to develop among themselves and with the Commission a close and regular cooperation and an exchange of best practice, where appropriate including third countries and international organisations.

Article 3
Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2021 to 31 December 2027 shall be EUR 7 700 000 (in current prices).
2. The annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.
3. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.

Article 4
Implementation and forms of EU funding

1. The Programme shall be implemented in direct management in accordance with [latest version of the Financial Regulation, Regulation (EU, Euratom) No 966/2012.]
2. The Programme shall be implemented by the Commission in cooperation with the Member States, through regular consultations at different stages of the implementation of the Programme, taking into account relevant measures undertaken by other competent entities, in particular the European Central Bank and Europol.
3. Financial support under the Programme for eligible actions listed in Article 6 shall take the form of either:
grants; or
public procurement.

Article 5
Joint actions

1. Actions under the Programme may be organised jointly by the Commission and other partners having relevant expertise, such as:

- (a) the national central banks and the European Central Bank (ECB);
 - (b) the National Analysis Centres (NACs) and the Coin National Analysis Centres (CNACs);
 - (c) the European Technical and Scientific Centre (ETSC) and the mints;
 - (d) Europol, Eurojust and Interpol;
 - (e) the national central anti-counterfeiting offices provided for in Article 12 of the International Convention for the Suppression of Counterfeiting Currency signed at Geneva on 20 April 1929³⁰ and other agencies specialising in prevention, detection and law-enforcement in connection with counterfeiting;
 - (f) specialist bodies concerned in the field of duplication and certification technologies, printers and engravers;
 - (g) bodies other than those referred to in points (a) to (f) offering specific expertise, including, where appropriate, such bodies from third countries and in particular from acceding States and candidate countries; and
 - (h) private entities that have developed and provided evidence of technical knowledge and teams specialising in detecting counterfeit banknotes and coins.
2. Where eligible actions are organised jointly by the Commission and the ECB, Eurojust, Europol or Interpol, the ensuing expenses shall be divided among them. In any event, each of them shall bear the travel and accommodation costs of its own guest speakers.

CHAPTER II ELIGIBILITY

Article 6 Eligible actions

1. The Programme shall provide, under the conditions set out in the annual work programmes referred to in Article 10, financial support for the following actions:
- (a) exchange and dissemination of information, in particular through organising workshops, meetings and seminars, including training, targeted placements and exchanges of staff of competent national authorities and other similar actions. The exchange of information shall, among others, be targeted at:
 - methodologies for monitoring and analysing the economic and financial impact of counterfeiting;
 - operation of databases and early warning systems;
 - use of detection tools with computer back-up;

³⁰ League of Nations Treaty Series No 2623 (1931), p. 372.

- enquiry and investigation methods;
 - scientific assistance, including monitoring of new developments;
 - protection of the euro outside the Union;
 - research actions;
 - provision of specific operational expertise;
- (b) technical, scientific and operational assistance, as appears necessary as part of the Programme including in particular:
- any appropriate measure which establishes teaching resources at Union level, such as a handbook of Union legislation, information bulletins, practical manuals, glossaries and lexicons, databases, especially in the area of scientific assistance or technology watch or computer support applications, such as software;
 - relevant studies with a multidisciplinary and transnational dimension, including research on innovative security features;
 - development of technical support instruments and methods to facilitate detection actions at Union level;
 - support for cooperation in operations involving at least two States when such support is not available from other programmes of European institutions and bodies;
- (c) the purchase of equipment to be used by specialised anti-counterfeiting authorities of third countries for protecting the euro against counterfeiting, in compliance with Article 10(3).
2. The Programme shall take into account the transnational and multidisciplinary aspects of the fight against counterfeiting by targeting the participation of the following groups:
- (a) staff of agencies engaged in detecting and combating counterfeiting, in particular police forces, customs and financial administrations, depending on their specific functions at national level;
 - (b) intelligence personnel;
 - (c) representatives of the national central banks, the mints, commercial banks and other financial intermediaries, in particular as regards the obligations of financial institutions;
 - (d) judicial officers, specialist lawyers and members of the judiciary in this field;
 - (e) any other group of specialists concerned, such as chambers of commerce and industry or comparable structures capable of providing access to small and medium-sized enterprises, retailers and cash-in-transit companies.

3. The groups referred to in paragraph 2 of this Article may include participants from third countries if that is important for the fulfilment of the objectives provided for in Article 2.

CHAPTER III GRANTS

Article 7 Grants

Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

For actions implemented through grants, the purchase of equipment shall not be the sole component of the grant agreement.

Article 8 Co-financing rates

The co-financing rate for grants awarded under the Programme shall not exceed 75 % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programmes referred to in Article 10, the co-financing rate shall not exceed 90 % of the eligible costs.

Article 9 Eligible entities

Entities eligible for funding under the Programme shall be the competent national authorities as defined in point (b) of Article 2 of Regulation (EC) No [1338/2001](#).

CHAPTER IV PROGRAMMING, MONITORING, EVALUATION AND CONTROL

Article 10 Work programmes

1. The Programme shall be implemented by work programmes as referred to in Article 110 of Financial Regulation.
2. For grants, in addition to the requirements laid down in Article 108 of the Financial Regulation, the work programme shall specify the essential selection and award criteria and the maximum possible rate of co-financing.

Article 11 Exercise of delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 12(2) shall be conferred on the Commission [from 1 January 2021 until 31 December 2027](#).

3. The delegation of power referred to in Article 12(2), may be revoked at any time by the European Parliament or the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and the Council.
6. A delegated act adopted pursuant to Article 12(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.

Article 12
Monitoring

1. Indicators to report on progress of the Programme towards the achievement of the specific objective set out in Article 2 are set out in the Annex to this proposal.
2. To ensure effective assessment of progress of the Programme towards the achievement of its objectives, the Commission is empowered to adopt delegated acts, in accordance with Article 11, to develop the provisions for a monitoring and evaluation framework, including through amendments to the Annex to review and complement the indicators where necessary for the purposes of evaluation.
3. The Commission shall provide annual information on the results of the Programme to the European Parliament and to the Council, taking into account the quantitative and qualitative indicators set out in the Annex to this proposal.
4. The participating countries and other beneficiaries shall provide the Commission with all the data and information necessary to permit the monitoring and evaluation of the Programme.

Article 13
Evaluation

1. The interim evaluation of the Programme shall be carried out once there is sufficient information available about the implementation of the Programme, but no later than four years after the start of the programme implementation.
2. At the end of the implementation of the Programme, but no later than two years after the end of the period specified in Article 1, a final evaluation of the Programme shall be carried out by the Commission.
3. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council and the European Central Bank.

CHAPTER V FINAL PROVISIONS

Article 14

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the Programme, and to its actions and results. Financial resources allocated to the Programme shall also contribute to the corporate communication of the political priorities of the Union, in so far as they are related to the objectives referred to in Article 2.

Article 15

Repeal

Regulation (EU) No 331/2014 is repealed with effect from 1 January 2021.

Article 16

Transitional provisions

This Regulation shall not affect the continuation or modification of the actions concerned, under Regulation (EU) No 331/2014, which shall continue to apply to the actions concerned until their closure.

Article 17

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

For the European Parliament

The President

For the Council

The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Grounds for the proposal/initiative
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2. MANAGEMENT MEASURES

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- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on appropriations of an administrative nature*
 - 3.2.3. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Pericles programme to promote activities in the field of the protection of the euro against counterfeiting

1.2. Policy area(s) concerned

Security; Deepening of the EMU: Protection of the euro against counterfeiting

1.3. Nature of the proposal/initiative

The proposal/initiative relates to a **new action**

The proposal/initiative relates to a **new action following a pilot project/preparatory action**³¹

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

1.4. Grounds for the proposal/initiative

1.4.1. Requirement(s) to be met in the short or long term

The Treaty provides that the European Parliament and the Council shall lay down the measures necessary for the use of the euro as a single currency (Art 133 TFEU). These measures include i.a. the protection of the euro against counterfeiting. Based on that Article, the protection of the euro as the single currency is a responsibility of the EU. In parallel, the national authorities issue euro banknotes and coins, in line with Article 128 TFEU. Member States have adopted national legislation and established internal rules for its protection.

1.4.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.*

Reasons for action at European level (ex-ante)

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), national protection frameworks need to be complemented in order to ensure homogeneous national and international cooperation, and to face possible emerging transnational risks.

Expected generated Union added value (ex-post)

³¹ As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

The Programme will promote transnational and cross-border cooperation within the EU as well as internationally ensuring a global protection of the euro against counterfeiting, and will in particular, take responsibility for countering specific emerging threats (such as the deep/dark web) and the (challenging) relationship with certain countries (for instance China) as it is difficult for individual Member States to effectively address these threats on their own. Initiatives such as the establishment of a dialogue with Chinese anti-counterfeiting authorities and support to euro protection activities in Latin America will not be feasible without the Programme. Research on innovative security features of second generation euro coins also falls into this category of transnational themes.

1.4.3. *Lessons learned from similar experiences in the past*

The Pericles programme was evaluated on three occasions, in 2004, 2011 and 2017. The evaluations showed that the Programme achieved its objectives and its beneficiaries expressed the view that the Programme must be continued. In particular, the mid-term evaluation of the Pericles 2020 Programme in 2017 concludes that all findings converge towards an unambiguously positive overall assessment regarding its EU added value, coherence, relevance, effectiveness, sustainability and efficiency.

The lessons learned from the previous Programme are the following:

- The need for encouraging greater participation of Competent National Authorities: consideration should be given to the establishment of contacts with national decision makers to ensure that the opportunities offered by the Programme are well understood.
- The possibility of submitting applications and other relevant documentation online should be explored.
- With the use of an annual Pericles strategy paper, identifying both emerging and recurrent threats and priorities, the programme will need to be able to continue to respond to these threats and priorities in a flexible and effective way.

1.4.4. *Compatibility and possible synergy with other appropriate instruments*

Pericles 2020's distinct transnational and multi-disciplinary³² approach and focus on capacity-building to protect the euro makes it unique among EU-level programmes. Two Commission programmes may be viewed as complementary. DG HOME's ***Police instrument of the Internal Security Fund (ISF Police)*** covers the prevention of and fight against crime in general, but only includes (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). Furthermore, DG NEAR's ***Technical Assistance and Information Exchange (TAIEX)*** instrument has supported activities related to euro counterfeiting, but these activities are of a different scale, duration and nature compared to Pericles 2020 actions and are often in support of accession negotiations.

³² Police, judicial authorities, national central banks, technical analysis laboratories and scientific institutions can all be included in Pericles 2020 actions.

Several national and third country authorities have confirmed this effective complementarity³³.

1.5. Duration and financial impact

X Proposal/initiative of **limited duration**

- X Proposal/initiative in effect from 01/01/2021 to 31/12/2027
- X Financial impact from 2021 to 2030

1.6. Management mode(s) planned³⁴

X **Direct management** by the Commission

- X by its departments, including by its staff in the Union delegations;
- by the executive agencies
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

See Article 12 and Article 13 of the proposal according to which:

annual information on results, including consistency and complementarity with other EU programmes, shall be provided to the European Parliament and to the Council;

an assessment of the implementation of the objectives of the programme (no later than 31 December 2024) is foreseen;

in addition, a final report to the budgetary authority will be made on the achievement of the objectives of the Programme by the end of 2027.

2.2. Management and control system(s)

2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

Management mode.

The Programme shall be implemented through direct management by the Commission. This ensures that DG ECFIN is in charge of both the direct management of the Programme and the designing and implementation of EU policy and legislation for the protection of the euro, covering prevention, enforcement and cooperation, allowing an optimal degree of synergy. This guarantees the effective achievement of the objectives of

³³ Commission Staff Working Document SWD(2017) 443 final 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), 6 December 2017.

³⁴ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

the Programme, since it links legislation and policy with the implementation of the Programme. Participation of the Commission in nearly every action supports preparation and presentation of the EU legislative and policy dimensions.

Funding implementation mechanism

Financial support under the Programme for eligible actions shall take the form of either:

- (a) grants('CNA-implemented actions'),; or
- (b) public procurement('direct actions').

The Commission/DG ECFIN makes use of 'direct actions' with an aim to complement the grant actions and therefore meet the highest number of emerging threats and priorities.

The co-financing rate for grants awarded under the Programme cannot exceed 75 % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programmes, the co-financing rate cannot exceed 90 % of the eligible costs. These justified cases are specified in the annual work programme and are updated on a yearly basis.

The types of financing and the methods of implementation under this Regulation shall be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. For grants, this shall include consideration of the use of lump sums, flat rates and scales of unit costs.

The annual work programme will indicate the budgetary allocation between grants and public procurement on an annual basis, and will include a 20% flexibility depending on the demand for grants and need for procured Commission actions . Cumulative changes to the allocation to the specific actions referred to in the annual work programme not exceeding 20% of the total annual budget are not considered to be a substantial change within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the work programme.

Payment modalities.

The Commission makes the following payments to the beneficiary:

- one pre-financing payment;
- one payment of the balance, on the basis of the request for payment of the balance.

The aim of the pre-financing is to provide the beneficiary with a float. The pre-financing remains the property of the Union until it is cleared against the payment of the balance.

The payment of the balance reimburses or covers the remaining part of the eligible costs incurred by the beneficiary for the implementation of the action.

Control strategy.

The control procedures for both sections of the programme (grants & procurements) are in compliance with the Financial Regulation.

Ex-ante verifications (commitment & payments)

The Commission's choice of a financial circuit is for a partially decentralised model, with financial initiation and verification placed in the central finance unit and operational initiation, verification and final authorisation in the operational units. All files will be

verified by at least 4 agents (the financial initiating agent and financial verifying agent in the budget unit and the operational initiating agent and verifying agent in the unit responsible for the expenditure) before they are accepted by the Authorising Officer by sub-delegation.

Every head of unit has been granted a sub-delegation from the Director-General consequently every head of unit is responsible for the implementation of his part of the programme.

- Ex-ante controls will be carried out by the FVA and OVA on every transaction which requires an approval of the AOSD.

- Controls are done on the sensitive variables following the results of the risk assessment carried out in the context of the Accounting Quality Report (such as: LE and BA, G/L accounts, budget lines, amounts and calculations, etc...).

In all the Pericles procurement files, an ECFIN representative is present on the day of the action in order to supervise the good implementation of the funds (e.g. conferences and trainings).

Grants

- The grant agreement signed by the beneficiaries defines the conditions applying to the financing and activities resorting under the grant, including a chapter on control methods.

- In most of the Pericles grants, an ECFIN representative is present on the day of the action in order to contribute to the event (e.g.: speakers, trainers) and checking the good implementation of the action (e.g. conferences and trainings).

Procurement

- Detailed terms of reference are drafted and form the basis of the specific contract. Anti-fraud measures are foreseen in all contracts concluded between ECFIN and the external party.

- ECFIN performs controls of all deliverables and supervises all operations and services carried out by our framework contractor.

Additionally, in compliance with Recital 14 of the proposal, measures are foreseen at the level of the beneficiaries (supporting documents shall be made available to the Commission). Audits may be carried out during the contract or the agreement and for a period of five years following the last payment in order to lead, where appropriate, to recovery decisions by the Commission. The rights of access of Commission staff as well as outside authorised personnel are defined and the Court of Auditors and OLAF shall enjoy the same rights.

The controls established enable ECFIN to have sufficient assurance of the quality and regularity of the expenditure and reduce the risk of non-compliance.

The above mentioned controls reduce the potential risks virtually to zero and reach 100% of the beneficiaries.

The programme control strategy is deemed efficient to limit the risk of noncompliance and is proportionate with the risk entailed given the small budget involved.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The level of risk is considered low for the grant agreements, since for 90% of the cases the beneficiaries are public administrations or law enforcement services in the Member States. For the contracts awarded on the basis of a procurement process the risks are narrowed since an important part of the expenditure is legally and financially covered by a framework contract concluded for 1 year with the possibility to extend 3 times.

In line with the Commission requirements, a risk assessment exercise will be performed each year.

An important risk identified in grant files is the lenient interpretation by the beneficiary of the grant conditions regarding eligibility of costs occurred in the implementation of the action. In order to mitigate this risk Financial Guidelines for Applicants are annexed to the Calls for Proposals.

Expenses declared by the beneficiary which don't fall under the scope of the grant agreement.

Staff costs not sufficiently substantiated.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

The costs entailed to implement the control strategy represent 1,15% of the budget. This estimation is based on the control measures already in place for the Pericles 2020 programme.

The overall cost effectiveness of controls on Pericles expenses will be measured by the proportion of overall costs of controls over the payments. It should be considered that although the control costs ratio will be above average the implementation will be sufficiently efficient and cost-effective. The high control costs ratio can be explained by the following:

The responsible unit is also an active business unit whose activities are intertwined with the implementation of the Pericles actions carried out by Member States and competent national authorities. This is accomplished through the discussion and coordination of MS' Experts Group as well as through the attendance in all events/ workshops/ trainings organised by beneficiaries. Preliminary discussions guarantee the high quality of the outputs to be used for the work of the unit. The participation ECFIN staff in all events mainly relates to its activities as a business unit (chairing, delivering presentations, leading workshops, co-drafting conclusions and consequent use of the outputs) and, at the same time, gives the opportunity to monitor and evaluate on the spot the quality of all actions implemented (max. 15% of the time spent on the spot). In the same context, ECFIN often welcomes participants of Pericles staff exchanges on its premises. These tasks account for a significant amount of time for the unit, most of them are policy related.

Pericles has a relatively small budget, whose implementation and controls are not proportional to the relative low grants awarded, in a similar vein, due to its low budget, the programme cannot benefit from economies of scale.

The programme is carried out through one call for proposal, having two deadlines; therefore two award procedures are managed each year

The target residual error rate is below 2% of the payments.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

See recital 14 of the proposal. In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013³⁵ of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2185/96³⁶ and Council Regulation (EU) 2017/1939³⁷, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96 the European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Council Regulation (EU) 2017/1939, the European Public Prosecutor's Office may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests and grant the necessary rights and access to the Commission, OLAF and the European Court of Auditors (ECA).

³⁵ [OJL 248, 18.9.2013, p.1.](#)
³⁶ [OJL 292, 15.11.1996, p.2.](#)
³⁷ [OJL 283, 31.10.2017, p.1.](#)

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) proposed

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
			from EFTA countries ³⁹	from candidate countries ⁴⁰	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	Number 06 02 Heading 2 Cohesion and Values	Diff./Non-diff. ³⁸				
	[XX.YY.YY.YY]	Diff.	NO	NO	NO	NO

³⁸ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

³⁹ EFTA: European Free Trade Association.

⁴⁰ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	2	Number 06.02 Heading 2 – Cohesion and Values
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		2021	2022	2023	2024	2025	2026	2027	2028-2030	TOTAL
Operational appropriations	Commitments	1,037	1,057	1,078	0,950	1,122	1,144	1,012	0	7,400
	Payments	0,256	0,767	0,951	0,843	1,015	1,032	0,895	1,641	7,400
Appropriations of an administrative nature financed from the envelope of the programme ⁴¹	Commitments = payments				0,150			0,150		0,300
TOTAL appropriations for the envelope of the Programme	Commitments	1,037	1,057	1,078	1,100	1,122	1,144	1,162	0	7,700
	Payments	0,256	0,767	0,951	0,993	1,015	1,032	1,045	1,641	7,700

Heading of multiannual financial framework	7	'Administrative expenditure'
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EUR million (to three decimal places)

	2021 ⁴²	2022	2023	2024	2025	2026	2027	TOTAL

⁴¹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

Human resources	0,272	0,272	0,272	0,272	0,272	0,272	0,272	0,272	0,272	0,272	0,272	1,904
Other administrative expenditure	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,105
TOTAL appropriations under HEADING 7 of the multiannual financial framework	0,287	0,287	0,287	0,287	0,287	0,287	0,287	0,287	0,287	0,287	0,287	2,009
	(Total commitments = total payments)											

EUR million (to three decimal places)

	2021 ⁴³	2022	2023	2024	2025	2026	2027	2028-2030	TOTAL
TOTAL appropriations across HEADINGS of the multiannual financial framework	1,324	1,344	1,365	1,387	1,409	1,431	1,449		9,709
Commitments	1,324	1,344	1,365	1,387	1,409	1,431	1,449		9,709
Payments	0,543	1,054	1,238	1,280	1,302	1,319	1,332	1,641	9,709

⁴²

Year N is the year in which implementation of the proposal/initiative starts.

⁴³

Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. Estimated impact on appropriations of an administrative nature

3.2.2.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	2021 ⁴⁴	2022	2023	2024	2025	2026	2027	TOTAL
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HEADING 7 of the multiannual financial framework								
Human resources	0,272	0,272	0,272	0,272	0,272	0,272	0,272	1,904
Other administrative expenditure	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,405
Subtotal HEADING 7 of the multiannual financial framework	0,287	0,287	0,287	0,287	0,287	0,287	0,287	2,009

Outside HEADING 7⁴⁵ of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 7 of the multiannual financial framework								

TOTAL	0,287	0,287	0,287	0,287	0,287	0,287	0,287	2,009
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

⁴⁴ Year N is the year in which implementation of the proposal/initiative starts.

⁴⁵ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.2.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	2021 ⁴⁶	2022	2023	2024	2025	2026	2027
• Establishment plan posts (officials and temporary staff)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	1,9	1,9	1,9	1,9	1,9	1,9	1,9
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External staff (in Full Time Equivalent unit: FTE)⁴⁷							
XX 01 02 01 (AC, END, INT from the 'global envelope')							
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
XX 01 04 yy⁴⁸	- at Headquarters						
	- in Delegations						
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (AC, END, INT - Direct research)							
Other budget lines (specify)							
TOTAL	1,9	1,9	1,9	1,9	1,9	1,9	1,9

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	1,9 (0,95 AD, 0,95 AST)
External staff	

⁴⁶ Year N is the year in which implementation of the proposal/initiative starts.

⁴⁷ AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

⁴⁸ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.3. Third-party contributions

- X The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

3.3. Estimated impact on revenue

- X The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ⁴⁹						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article								

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

⁴⁹ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.