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## **REPORT FROM THE COMMISSION**

**TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN  
CENTRAL BANK**

**concerning the implementation and the results of the Pericles IV programme for the  
protection of the euro against counterfeiting in 2023**

## REPORT FROM THE COMMISSION

### TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN CENTRAL BANK

#### concerning the implementation and the results of the Pericles IV programme for the protection of the euro against counterfeiting in 2023

## 1. General

The "Pericles IV" programme (hereafter "the Programme") is an exchange, assistance and training programme for the protection of the euro against counterfeiting. It replaces the Pericles 2020 programme that ran during the period 2013-2020, and the Pericles programme that ran during the period 2002-2013. The Programme was established by **Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021**<sup>1</sup>. Its application was extended to the non-participating Member States by **Council Regulation (EU) 2021/1696 of 21 September 2021**<sup>2</sup>. Regulation (EU) No 2021/840 establishes the duration of the Programme until 31 December 2027. **Article 12(3) of the Regulation** requires the Commission to provide annual information on the results of the Programme to the European Parliament and to the Council. This Annual Report responds to that requirement in relation to the year 2023. The report provides information on the commitments and implementation of the "Pericles IV" programme in 2023, as well as on the implementation in 2023 of actions committed under previous years and the previous generation of the programme.

## 2. Commitments under the Annual Work Programme 2023

The annual budget for the implementation of the Programme for the year 2023 was set at EUR 667 060 and was financed from the budget line 06.030100<sup>3</sup> of the general budget of the European Union for 2023. A total of EUR 666 252.15 was committed in 2023, which is 99.88% of the total budget. The Programme is implemented through co-financed actions (grants) originating from the competent authorities of the Member States and through "Commission actions", organised directly by the Commission. The total commitment amount also includes a commitment of EUR 26 328 to partially cover the annual costs to use the eGrants tool, a fully electronic (paperless) management system for grants<sup>4</sup>. Next to the operational budget line, EUR 200 000 was made available on budget line 06.010200<sup>5</sup> of the general budget of the European Union. Out of this amount, EUR 175 115.50 was committed for supporting measures such as the mid-term evaluation of the programme and the remaining part of the annual eGrants fee<sup>6</sup>. In particular, EUR 156 502.50 was committed for the mid-

<sup>1</sup> Regulation (EU) 2021/840 of the European Parliament and of the Council of 20 May 2021 establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV' programme), and repealing Regulation (EU) No 331/2014.

<sup>2</sup> Council Regulation (EU) 2021/1696 of 21 September 2021 extending to the non-participating Member States the application of Regulation (EU) 2021/840 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').

<sup>3</sup> Budget line 06.030100: Protection of the euro against counterfeiting.

<sup>4</sup> The full amount for the use of the eGrants tool was EUR 44 941.

<sup>5</sup> Budget line 06.010200: Support expenditure for the protection of the euro against counterfeiting.

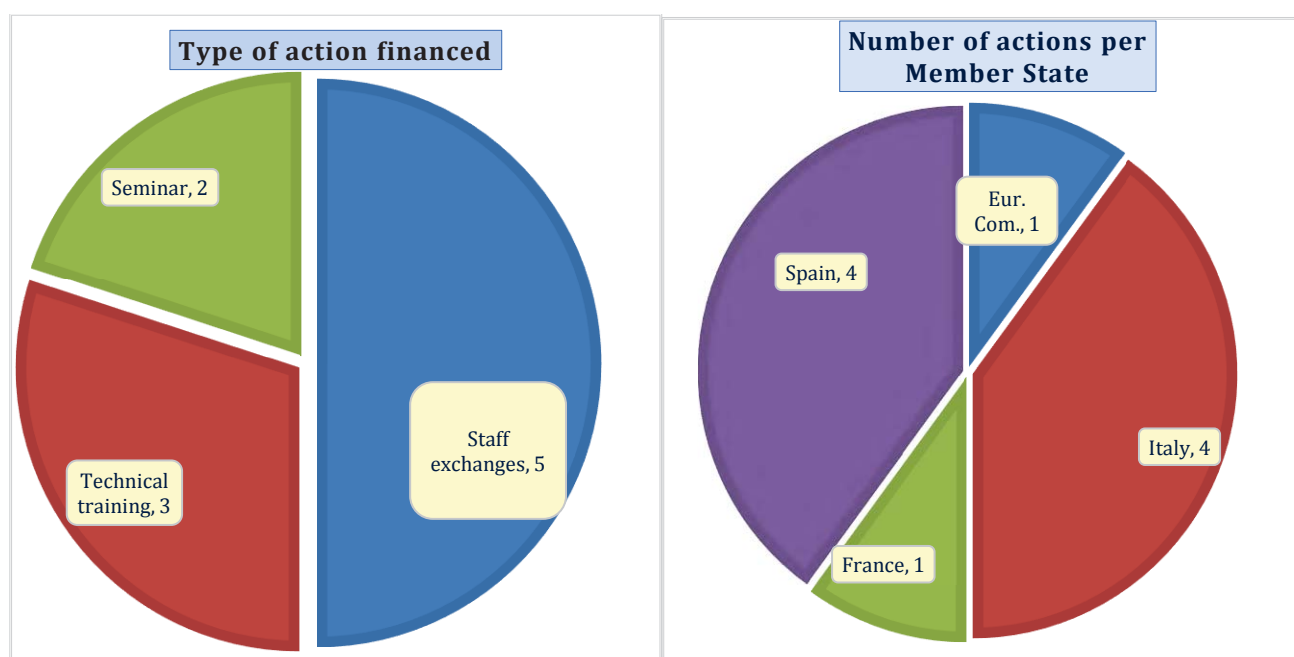
<sup>6</sup> The remaining EUR 24 884.50 was transferred to DG BUDG.

term evaluation of the Pericles IV Programme. Article 13 of the Pericles IV Regulation indicates that the mid-term evaluation of the Pericles IV Programme shall be carried out no later than four years after its start, which was 2021. The mid-term evaluation (covering 2021-2023) will assess, amongst others, the achievements of the Programme's objectives against the criteria of effectiveness, efficiency, relevance, coherence and EU added value.

The implementation of the Programme reflects the commitment of Member States and the Commission to protect the euro against counterfeiting. Discussions of the annual strategy at the meetings of the Euro Counterfeiting Experts Group (ECEG) made it possible to address the main threats and commit 99.88% of the overall budget in 2023. The Programme committed to funding 10 projects in total<sup>7</sup>: 9 grants were successfully awarded from applications originating from the competent authorities of the Member States, and 1 Commission action was funded.

The Commission action was implemented in 2023 and one grant was partially implemented in 2023, while the remaining grants will be fully implemented in 2024 and thereafter.

**Chart I and Chart II: Type of action financed and Number of actions per Member State (actions committed in 2023, see annex I)**



It is noteworthy that Italy and Spain, two of the Member States most affected by euro counterfeiting, once more received Pericles grants this year.

The actions for which commitments were made in 2023 consist of 5 staff exchanges, 3 technical trainings and 2 seminars. The actions are set to take place both inside and outside the EU, depending on the specific needs to protect the euro against counterfeiting. Since its inception, the Programme has consolidated its regional approach by implementing actions involving regions of the world which are particularly important to the fight against counterfeiting.

<sup>7</sup> A comprehensive overview of Pericles actions committed to in 2023 can be found in Annex I.

### 3. Implementation of actions in 2023<sup>8</sup>

#### *Overview*

This section analyses the implementation of all Pericles-funded actions in the calendar year 2023. It therefore includes the implementation of actions committed under the 2021, 2022 and 2023 “Pericles IV” budgets (6 grants and 2 Commission actions), as well as actions committed under previous “Pericles 2020” budgets (3 grants). This underlines the continuity of the programme in terms of its conception and reflects the effectiveness of the Pericles programme to protect the euro against counterfeiting through actions implemented on a yearly basis.

2023 saw the implementation of 13 Pericles-funded actions overall, including:

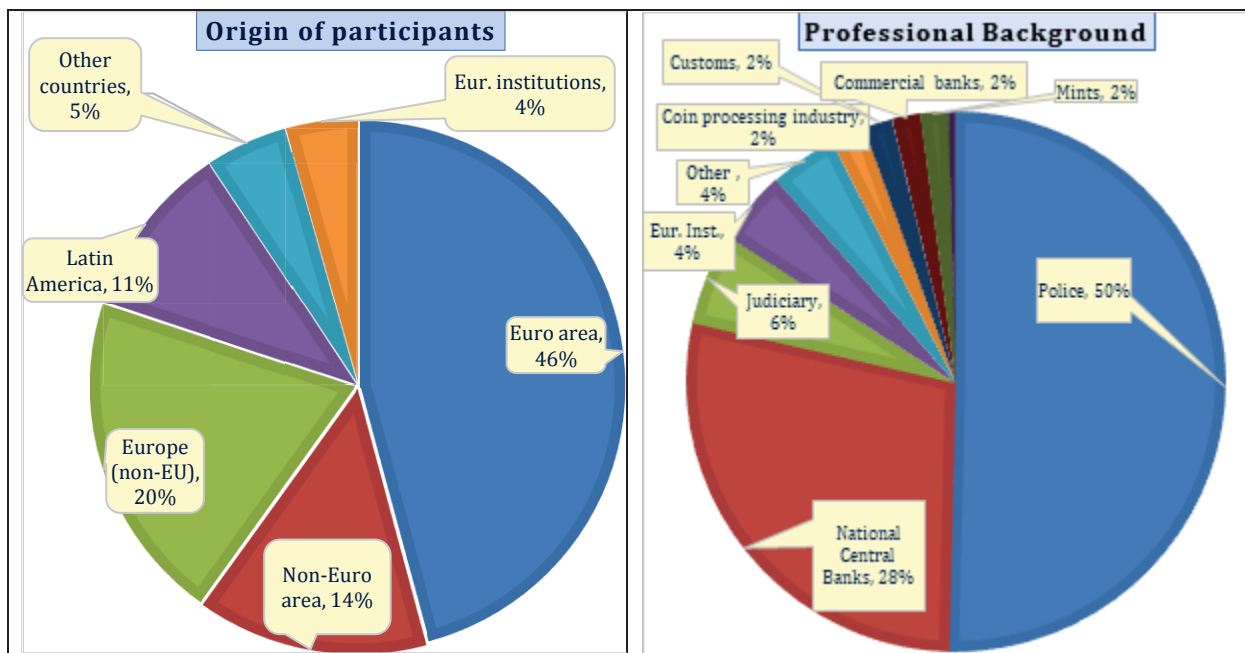
- the partial implementation by Italy of 1 grant action committed in 2023;
- the implementation by the Member States of 6 grant actions committed in 2021-2022: these actions were implemented by Spain (3 actions), Croatia (2 actions), Italy (1 action) respectively;
- the implementation by the Member States of 3 grant actions committed in 2019-2020: these actions consist of multiple stages (i.e. staff exchanges and seminars) over more than one calendar year and were partially implemented by Italy, Romania and France respectively;
- the implementation of 3 procured Commission actions (1 committed in 2023).

The actions above consist of 7 staff exchanges, 2 conferences, and 4 technical trainings (see also section 2 above). An estimated number of 526 experts participated in the aforementioned actions.

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<sup>8</sup> A comprehensive overview of Pericles actions implemented in 2023 can be found in Annex II.

**Chart III and Chart IV: Origin of participants and Professional background of participants (actions implemented in 2023, see annex II)<sup>9</sup>**



In terms of origin, participants came from 54 countries. The majority of trainees (80%) are European participants: 46% came from the euro area Member States, while non-euro area Member States account for 14% and non-EU countries in Europe represent 20%; 11% of trainees were from Latin America. Finally, 4% of participants represented the European Institutions, 1% came from Africa and the Middle East and 5% from other regions.

With respect to the professional background of participants, members from police forces represented 50% of the total. That prominent presence is due to the fact that police authorities represent the front line in the fight against euro counterfeiting, and police staff include both investigators and technicians. Other categories of participants accounted for 50% of the total, with experts from the national central banks representing 28%, thereby forming the second largest group of participants. Similar to 2022, several actions in 2023 focussed on the participation of central banks. There was also participation of members of the judiciary (6%), European Institutions (4%), mints (2%) and customs (<2%), reflecting a full range of professional backgrounds of the participants. Finally, the implementation of the Commission action “5<sup>th</sup> Platform 1210 meeting” resulted in a high participation of representatives from the coin processing machine (CPM) industry (2%) for the fifth year, which continues to affirm the private sector as a significant stakeholder in the fight against counterfeiting. As a result, the implementation of the Programme meets the transnational and multidisciplinary dimensions of the Programme required under Regulation (EU) No 2021/840 with a high degree of diversification.

### *Highlights of implementation in 2023*

<sup>9</sup> All data concerns both actions financed under the “Pericles IV” programme as well as actions financed under the Pericles 2020 programme.

The Programme has succeeded in maintaining and further strengthening regional cooperation in South Eastern Europe and Latin America in 2023:

- 2023 saw the implementation of several Pericles actions focussing on encouraging and maintaining strong cooperation among the competent national authorities in South Eastern Europe. This included two actions (staff exchanges) organised by the Italian Comando Carabinieri Antifalsificazione Monetaria (CCAFM), conferences organised by the Guardia di Finanza (GDF) and the Romanian police (GIRP), as well as the 5<sup>th</sup> Balkan Network for Euro Protection conference, organised by the Croatian National Bank, which has as its purpose to encourage a closer cooperation among south-eastern European countries. Furthermore, the Commission action “Training on the protection of the euro against counterfeiting” in Chişinău (Moldova) brought together participants from the main competent authorities involved in the protection of currencies (including the euro) against counterfeiting in Moldova: Police/Ministry of Interior, National Bank, Judiciary and Customs.
- The Spanish Brigada de Investigación del Banco de España (BIBE) organised the Currency counterfeiting training course for experts from Latin American countries, which brought together the authorities of 15 Latin American countries in Bogotá, Colombia. The action promoted measures to protect the euro against counterfeiting in Latin American countries that are potentially susceptible to it. This action also supported the establishment and functioning of National Central Offices (NCO) for currency counterfeiting in the participating countries. Based on a previous training of the same format, Argentina established such an NCO.

The implementation of the programme in 2023 has also been characterised by actions focussing on topical developments in the fight against currency counterfeiting:

- A priority addressed by several actions was the fight against high-quality classes of counterfeits, implementation of Regulation (EU) No 1210/2010 and handling of euro coins unfit for circulation. Actions including this focus were the “training activity on counterfeit coins analysis for technical experts” organised by the Banco de España, as well as the 5<sup>th</sup> Platform 1210 meeting organised as a Commission action, bringing together stakeholders from the Coin Processing Machine industry and Coin National Analysis Centres. 2023 also saw the finalisation of the study “Nanoguard 3, development and industrialisation of high security coins”. This study, involving mints from Austria, France and Germany with the Monnaie de Paris as its main promoter, is another step towards reinforcing the security features of euro coins.
- Several actions addressed the threat of the internet/darknet in the field of euro counterfeiting, including the availability of altered design banknotes. Staff exchanges and technical trainings such as the Italian CCAFM’s “staff exchange on investigation techniques against currency counterfeiting (SEITACC-2)”, and the Spanish BIBE’s “currency counterfeiting training course for experts from Latin American countries 2023” had the distribution of counterfeits on the darknet/internet as one of their key focal points.

The procured “study on movie money, prop copy products and other altered design banknotes” had a general objective to complement and further develop the findings of



the analyses undertaken so far by the European Commission, the ECB and Europol. It fully mapped out the production, distribution and entry into circulation of movie money, prop copy money and other altered design notes in the EU and in an international context. In doing so, the study analysed the European, national Member State and third country law enforcement and judicial approaches to this phenomenon. This, in order to encourage a common EU level approach to counter this threat.

#### 4. Monitoring of the quantitative and qualitative indicators

Article 12(3) Regulation (EU) 2021/840 states that this report should take into account the quantitative and qualitative indicators of the “Pericles IV” programme. The annual data on these indicators is as follows:

1. **Number of counterfeit euros detected (banknotes: 476 000 in 2023 / coins: 414 406 in 2023):** The target for this indicator is to keep the number of counterfeit euros detected (banknotes and coins) under control within the range of +/- 5% compared to the average of 2014-2020 (671 000/174 112). The number of counterfeit banknotes is lower, and the number of coins is higher, than the target. It should be noted, however, that the link between the programme and these indicators is only indirect, as a variety of external factors play an important role in the development of the indicators. These external factors include the progress of police investigations and the amount of counterfeit production.
2. **Number of illegal workshops dismantled (9 in 2023):** The target for the number of illegal workshops dismantled is to keep the number under control within an average of +/- 10% compared to 2019 (22). The number of illegal workshops dismantled in 2023 is lower than the target. As explained under indicator 1, the link between the programme and this indicator is only indirect, as a variety of external factors play an important role in the development of the indicators.
3. **Number of unique competent authorities applying to the Programme (8 in 2023):** This indicator aims to measure the interest of competent national authorities in the programme. The goal for 2024 is 12 and for 2027 24. The fact that the number of unique applicants reached in the third year of implementation about 70% of the milestone for 2024 is in line with expectations.
4. **Satisfaction rate of participants in the actions financed by the programme (98.97% in 2023):** This indicator measures the quality of the trainings as perceived by its participants. The target is 75%. The rate of positive feedback is significantly higher than the target.
5. **Feedback of participants that have already taken part in previous Pericles actions on the impact of the Programme on their activities in protecting the euro against counterfeiting (98.31% in 2023):** This indicator measures the sustainability of the programme’s actions. The target is 75%. The percentage of positive feedback is significantly higher than the target.

#### 5. Conclusions and way forward

The "Pericles IV" programme, like its predecessor, continues to be an important and efficient tool in the fight against counterfeiting. The Programme forms the basis for the support of



studies, maintaining and developing cooperation, and exchanging best practices among all the actors involved in the fight against euro counterfeiting. This is also supported by the fact that in 2023 99.88% of the overall budget was committed, reflecting the interest of Member States in the programme.

The Commission regularly disseminates the results of the actions supported under the Programme to the experts of the Euro Counterfeit Experts Group (ECEG). In 2023, 3 ECEG meetings took place. The Programme shows a high degree of consistency and complementarity with other relevant programmes and actions at Union level because it is dedicated exclusively to protect the euro by preventing and fighting a specific form of organised crime, namely euro counterfeiting. This complementarity appears clear with respect to DG NEAR's *Technical Assistance and Information Exchange (TAIEX)* instrument, that is most often used in support of accession negotiations, and DG HOME's Internal Security Fund - Police<sup>10</sup>, which covers the prevention and combating of crime in general. Following the inclusion of forgery of money as one of the priorities in the Operational Action Plan of EMPACT<sup>11</sup>, the Commission is closely coordinating with the EMPACT driver in order to maximise the complementarity between the two sources of financing.

Based on the results of the implementation of the Programme and the continuous analysis of emerging threats discussed in the ECEG, the priorities for 2024 are the following<sup>12</sup>:

- Supporting activities aimed at improving cooperation among those Member States which are particularly affected by the production and distribution of counterfeits;
- Fostering cooperation with authorities of third countries where there is suspicion of, or evidence for, counterfeit euro production;
- Maintaining an efficient framework for the protection of the euro in South Eastern Europe;
- Topical developments:
  - Distribution of counterfeits and high quality components on the darknet, and 'movie money' and 'prop copy' products online (including altered design notes);
  - Support for the establishment/reinforcement of NCO's;
  - Euro coins: Fight against high quality classes of counterfeits, implementation of Regulation (EU) No 1210/2010 and handling of euro coins unfit for circulation.

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<sup>10</sup> Regulation (EU) No 513/2014 of the European Parliament and of the Council of 16 April 2014 establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and repealing Council Decision 2007/125/JHA (OJ L 150, 20.5.2014, p. 93).

<sup>11</sup> EMPACT (European Multidisciplinary Platform Against Criminal Threats) is a security initiative driven by EU Member States to identify, prioritise and address threats posed by organised and serious international crime. In 2021, EMPACT became a permanent instrument, as set in the Council conclusions on the permanent continuation of the EU Policy Cycle for organised and serious international crime. Bulgaria is the driver Member State for the EMPACT priority covering "Intellectual Property Crime, Counterfeiting of Goods and Currencies".

<sup>12</sup> The priorities of the Programme for 2024 are an essential part of the Annual Work Programme, which is annexed to COMMISSION DECISION of 30.1.2024 on the financing of the Pericles IV programme and the adoption of the annual work programme for 2024, C(2024) 474 final.