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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 (the 'Pericles 2020' programme)

{SEC(2011) 1614 final}
{SEC(2011) 1615 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Pericles programme is an exchange, assistance and training programme for the protection of the euro against counterfeiting. The programme was established by Council Decision 2001/923/EC of 17 December 2001 and its effects were extended to the EU Member States that had not adopted the euro as their currency by Council Decision 2001/924/EC of 17 December 2001. Subsequent amendments to these basic acts by Council Decisions 2006/75/EC, 2006/76/EC, 2006/849/EC and 2006/850/EC have extended the duration of the programme until 31 December 2013.

The Treaty reflects concerns about the protection of the euro by providing for the measures necessary for its use as a single currency (Article 133 TFEU).

As the legal basis for Pericles will expire at the end of 2013, its replacement should ensure the continuity of Union support for the activities carried out by the Commission and the Member States with the aim of improving exchanges of staff and information, carrying out studies and providing training or technical and scientific assistance in the protection of the euro against counterfeiting and related fraud.

The euro continues to be an attractive target for organised crime groups active in counterfeiting money, not only in Europe but also in other regions of the world. The international dimension of the threat with respect to euro counterfeiting calls for supranational coordination in facing it; through the Pericles programme, the Commission conducts such coordination by way of exchanges, training activities and technical assistance. In particular, by implementing a specific training and assistance strategy¹ agreed with Member States, the programme complements national training by adding a multidisciplinary and transnational dimension. It offers beneficiaries the opportunity to take part in international training, and raises the standard of cooperation outside the European Union by directly involving the most sensitive third countries in specific training activities.

The programme meets the need for the continuing vigilance, training and technical assistance necessary to sustain the protection of the euro against counterfeiting, by providing a stable framework for the planning of Member States' programmes. This approach has yielded substantial results in terms of the number of staff trained, the standard of training, synergy, and operational results for the protection of the euro.

2. RESULTS OF CONSULTATIONS WITH INTERESTED PARTIES AND IMPACT ASSESSMENTS

2.1. The Pericles programme includes a multi-disciplinary set of activities involving stakeholders who are all important in the fight against euro counterfeiting but whose contribution takes different forms technical, legal, financial and law-enforcement bodies.

¹ See Annex.

The Commission has collected the opinions of Pericles programme stakeholders through (i) a mid-term evaluation conducted among the programme beneficiaries in early 2011; (ii) the evaluation forms that participants in Pericles activities fill in following each of the events; and (iii) the views expressed by the experts in the Euro Counterfeiting Experts Group (ECEG)², where implementation of the Pericles programme is one of the standard items for discussion. The mid-term evaluation shows a high degree of satisfaction with the programme; all beneficiaries (100%) were satisfied and recommended that the programme be extended beyond 2013. They also appreciated the programme's management by the Commission: 98% of participants in Pericles activities were satisfied with that aspect. Additionally, ECEG experts considered that their level of involvement in management of the programme was significant or very significant both multilateral and bilateral level.

The beneficiaries' opinions and the experts' views show that Pericles training activities (i) increase the number of people trained at national level and raise the standard of training by adding an international and multidisciplinary dimension; (ii) complement and are additional to national training; (iii) have a direct link with operational results (training of staff directly involved in the protection of the euro, such as police, judicial and financial staff); and (iv) are instrumental in enabling the beneficiaries to carry out their own training.

Based on the evaluation, a number of areas for improvement were identified. These involve among other things simplifying determination of the amount of the grant and clarifying the procedures. The Commission proposal takes these suggestions into account.

2.2. An impact assessment has been carried out by the Commission. Four options have been considered:

Option 1: Continue the programme with the same level of funding (baseline scenario).

Option 2: Renew the Pericles programme with improved objectives and methodology, including in particular an increased maximum rate of co-financing.

Option 3: Merge Pericles with other Commission programmes.

Option 4: Discontinue the Pericles programme, and leave it for Member States to organise activities at national level for protecting the euro.

In the light of past experience, which is closely linked to the activities of both the Member States and the Commission in protecting the euro currency, as well as the expected impact, including through developing activities, the option to renew the programme with improved objectives and methodology is preferred. This option has a budgetary allocation in real prices that remains similar to the current allocation (approximately one million euro per year). It adds flexibility in determining the amount of the grant by simplifying the determination of costs to be borne by Member States³; it broadens the range of eligible activities by making it possible to finance the purchase of equipment to be used by specialised anti-counterfeiting agencies in for protecting the euro against counterfeiting; and it increases the rate of co-financing up to a maximum of 90% of eligible costs, in duly justified cases. This should

² The Commission/OLAF's Euro Counterfeiting Experts Group meets three times a year and brings together experts from all Member States and relevant disciplines, as well as Europol, Interpol and the European Central Bank.

³ See Articles 8 to 11 of Council Decision 2001/923/EC of 17 December 2001.

provide a response to a trend that has emerged in recent years, whereby Member States are less able to co-finance projects due to the general lack of funds available to public administrations. The higher rate of co-financing will particularly facilitate a more balanced geographic distribution of activities by offering wider scope for Member States to apply.

In contrast, discontinuing the programme would reduce expenditure at EU level, but without generating real savings and offsetting resources at national level or in the framework of another EU programme, and would therefore put at risk the effective and uniform protection of the euro across the Member States and in third countries.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1 Protection of the euro against counterfeiting

The European Union exercises exclusive competence in the area of monetary policy for the Member States whose currency is the euro (Article 3(1)(c) TFEU).

The Treaty provides that the European Parliament and the Council are to lay down the measures necessary for the use of the euro as a single currency (Article 133 TFEU). These measures also include protection of the euro against counterfeiting. Based on that Article, the protection of the euro as the single currency is under EU exclusive competence (Article 3(1)(c) TFEU). In parallel, the national authorities issue euro banknotes and coins, in accordance with Article 128 TFEU. Member States have adopted national legislation and established internal rules for protecting the euro.

The Pericles programme concerns this specific sphere of activity of the European Commission and its cooperation with Member States' competent authorities, as well as with the other European institutions and bodies, more particularly through OLAF.

It is essential that there should continue to be an instrument specifically dedicated to protecting the euro against fraud and counterfeiting. Support from programmes designed to have a wider impact would be less effective in addressing such a specific issue and, in political terms, the EU institutions should demonstrate that they share a real determination to deal with this important aspect of EU policy and European identity. Accordingly, the Pericles programme will:

- target exclusively the protection of the euro, in the context of a long-term vision that is consistent with other EU objectives, on the basis of the priorities set each year for this specific field of expertise,
- allow the implementation of other EU programmes to focus on priorities other than the protection of the euro,
- fully take into account the results of the activities already co-financed in the past in this field, including in terms of targeted rules for beneficiaries and geographical balance;
- aim not only to have a direct impact on the situation of some Member States but to place strong emphasis on the EU dimension of the protection of Europe's single currency.

3.2 Simplification

A priority for the Commission in this programme, as in other programmes within the context of the Multiannual Financial Framework (MFF), is to simplify the regulatory environment and facilitate to the greatest possible extent access to this programme for the competent national authorities in the Member States and its utilisation in relevant third countries. This approach is applied in Pericles 2020 by providing a simpler, more coherent and standardised administrative procedure for the beneficiaries to access funding.

The programme proposal is fully consistent with the Financial Regulation and its implementing provisions. Grants and procurement are the main financial instruments used to implement the programme. Based on results of the mid-term evaluation, the programme will make it simpler for the competent national authorities to prepare applications. To simplify procedures and reduce the administrative burden, the calculation of the amounts to be granted will be made clearer and the programme will be made more user-friendly. The legislation will be amended to allow more flexibility in the use of the granted amount; this objective will be achieved by simplifying those financial provisions in the programme which define strictly the specific costs to be borne by the Member States and by the Commission.

Another simplification measure envisaged involves directly informing and consulting the Member States' representatives in the Euro Counterfeiting Experts Group (ECEG) at different stages of implementation of the programme. Thus, improvements to implementation and procedures may be more directly included in the Annual Work programme based on the feedback received from the experts participating in this Group.

3.3 Compliance with the principles of proportionality and added value of the programme

The Pericles programme relates in part to activities of the European Commission, and more particularly OLAF, and cooperation with the European institutions and bodies and with Member States. Therefore, by definition, the key objectives of the proposal cannot be attained by action at the national level alone.

The 2011 consultation of the main stakeholders concerned by implementation of the Pericles programme has also shown that the principle of proportionality is fully complied with.

The Commission initiates the Union's annual and multiannual programming (Article 17 TEU). The Union may support the efforts of Member States to improve their administrative capacity to implement Union law. Such action may include facilitating the exchange of information and of civil servants as well as supporting training schemes. Expenditure at EU level on protection of the euro is therefore justified in terms of EU's exclusive competence. The added value of the Pericles programme is demonstrated mainly by the results deriving from the collective specialised training and assistance; such training, multi-disciplinary and international awareness-raising events and other specialised assistance only take place on the basis of the Pericles programme. In addition, exchanges of staff, one of the most successful features of the Pericles programme, contributing to closer cooperation and networking, would scarcely take place in the absence of the Pericles programme.

Pericles has been contributing to a high level of cooperation among Member States and with third countries, resulting in low levels of euro counterfeiting and regular discoveries of illegal print shops and mints with consequent arrests of counterfeiters. The Pericles 2020 programme will make a substantial contribution to maintaining and further improving the high level of

protection of the euro associated with the intensification of cross-border cooperation, exchanges and assistance. At the same time, overall savings will be achieved from the collectively organised activities and procurement, as compared to potential individual national initiatives. Priorities and implementation strategies are regularly discussed at meetings of the Euro Counterfeiting Experts Group (ECEG). The ECEG coordinates and is associated with the implementation of Pericles activities.

In addition, the objectives have been renewed with special attention to setting Specific, Measurable, Attainable, Relevant and Time-bound (SMART) criteria. This will also help to ensure proper implementation and monitoring.

3.4 Legal basis

The legal basis for the proposal is Article 133 TFEU. The application of the Pericles programme will be extended to the Member States that have not adopted the euro as their single currency, through a proposal for a parallel Regulation based on Article 352 TFEU.

4. BUDGETARY IMPLICATIONS

The programme will cover the period 2014-2020.

The overall budget is 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 2014-2020: ‘A Budget for Europe 2020’⁴.

The legislative financial statement attached to this proposal for a Regulation sets out the budgetary implications and the human and administrative resources needed.

⁴

COM(2011) 500.

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 (the 'Pericles 2020' 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 Commission⁵,

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

Having regard to the opinion of the European Central Bank,

Acting in accordance with the ordinary legislative procedure,

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. These measures include protecting the euro against counterfeiting.
- (2) Council Regulation (EC) No 1338/2001⁶ of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting provides for exchanges of information, cooperation and mutual assistance, thereby establishing a harmonised framework for the protection of the euro. The application of this regulation was extended to those Member States that have not adopted the euro as their single currency, so as to provide an equivalent level of protection of the euro throughout the Union.
- (3) Activities with the aim of promoting exchanges of information and staff, technical and scientific assistance and specialised training help significantly to protect Europe's single currency against counterfeiting and related fraud and therefore to attain a high and equivalent level of protection across the Union.
- (4) Past support for such initiatives, through 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)⁷, has made it

⁵ OJ L xxx xxx, p. x.

⁶ OJ L 181, 4.7.2001, p. 6.

⁷ Council Decision 2001/923/EC of 17 December 2001, OJ L 339, 21.12.2001, p. 50.

possible to enhance the activities of the Union and the Member States in the field of the protection of the euro against counterfeiting. The objectives of the Pericles programme for both the period 2002-2006 and the period 2007-2013 were successfully achieved.

- (5) The Commission carried out an impact assessment in 2011, so as to evaluate whether or not the programme should be continued.
- (6) To continue and further develop activities at the level of the Union and the Member States in the field of the protection of the euro against counterfeiting, also taking into account the new challenges in a context of budgetary austerity. Under the new Programme, proposals presented by the participating Member States may include participants from third countries, if their presence is important for the protection of the euro.
- (7) It should be ensured that this Union action programme is consistent with, and complementary to, other programmes and activities. The Commission should 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 ECB and Europol) within the appropriate advisory committee provided for in Regulation (EC) No 1338/2001, particularly as regards exchanges, assistance and training, for the purpose of implementing this programme.
- (8) This Regulation shall be implemented in full compliance with the provisions of Regulation (EC, Euratom) No. XX/XX of XX 2012 on the financial rules applicable to the annual budget of the European Union. The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.
- (9) The evaluation of the programme conducted with stakeholders demonstrates the value added of the Pericles programme, in terms of the high level of cooperation among Member States and with third countries, as well as complementarity with activities taken at national level, resulting in increased effectiveness. The continuation of the Pericles programme at Union level is expected to make a substantial contribution to maintaining and further improving the high level of protection of the euro associated with the intensification of cross-border cooperation, exchanges and assistance. At the same time, overall savings will be achieved from the collectively organised activities and procurement, as compared to potential individual national initiatives.
- (10) The Commission should present to the European Parliament and to the Council an independent interim report on the implementation of the programme and a final report on the achievement of its objectives.
- (11) This Regulation complies with the principles of added value and proportionality. The Pericles programme facilitates 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.

- (12) The programme will run for a period of seven years to align its duration with that of the multiannual financial framework laid down in [Article 1] of the Council Regulation laying down the multiannual financial framework for the years 2014-2020.
- (13) The Commission should adopt the annual work programmes setting out the priorities, the budget breakdown and the evaluation criteria for the grants for activities. In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission.
- (14) This Regulation lays down, for the entire duration of the programme, a financial allocation constituting the prime reference, within the meaning of point [17] of the Inter-institutional Agreement of XX/YY/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure.
- (15) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

HAVE ADOPTED THIS REGULATION:

Chapter I

General provisions

Article 1

Subject matter

The multiannual action programme ‘Pericles 2020’ (hereinafter referred to as ‘the Programme’) is hereby established to promote activities for the protection of the euro against counterfeiting and related fraud. The Programme shall run from 1 January 2014 to 31 December 2020.

Article 2

Added value

The Programme shall contribute to increased transnational cooperation for the protection of the euro at Union level and internationally and to the greater effectiveness of these operations on the basis of best practices, common standards and joint specialised training.

Article 3

General objective of the Programme

The general objective of the Programme shall be to prevent and combat counterfeiting and fraud thus enhancing the competitiveness of the European economy and securing the sustainability of public finances.

Article 4

Specific objective of the Programme

The specific objective of the Programme shall be to protect the euro banknotes and coins against counterfeiting and related fraud, by supporting and supplement the measures undertaken by the Member States and assisting the competent national and European authorities in their efforts to develop between themselves and with the European Commission a close and regular cooperation, also including third countries and international organisations.

This objective shall be measured, *inter alia*, through the effectiveness of action by financial, technical, law-enforcement and judicial authorities, as measured through the number of counterfeits detected, illegal workshops dismantled, individuals arrested and sanctions imposed.

Article 5

Bodies eligible for funding

Bodies eligible for Union funding under the Programme are the national competent authorities of Member States, as defined in Article 2(b) of Regulation (EC) No 1338/2001.

Article 6

Participation in the Programme

Participating countries shall be the Member States having adopted the euro as their single currency. The proposals presented by these Member States may include participants from other countries, if their presence is important for the protection of the euro.

Article 7

Target groups and joint activities

1. The Programme shall target participation of the following groups:
 - (a) staff of agencies engaged in detecting and combating counterfeiting (in particular police forces 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 (particularly as regards the obligations of financial institutions);
 - (d) judicial officers and specialist lawyers 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).
2. Activities 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 ECB;
 - (b) the National Analysis Centres (NACs) and the Coin National Analysis Centres (CNACs);
 - (c) the European Technical and Scientific Centre (ETSC) and the national mints;
 - (d) Europol and Interpol and Eurojust;
 - (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 1929⁸ 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) any other body offering specific expertise, including, where appropriate, such bodies from third countries and in particular from accession candidate countries.

⁸ League of Nations Treaty Series No 2623 (1931), p. 372.

Article 8

Eligible activities

3. The Programme shall take into account the transnational and multidisciplinary aspects of the fight against counterfeiting and shall promote best practices adapted to the national specificities of each Member State.
4. The Programme shall support activities in line with the objectives laid down in Articles 3 and 4, in particular:
 - (a) Exchange of information, in particular through organising workshops, meetings and seminars, targeted placements and exchanges of staff of competent national authorities and other similar activities. The exchange of information will be targeted *inter alia* 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;
 - enquiry and investigation methods;
 - scientific assistance (in particular scientific databases and technology watch/monitoring of new developments);
 - protection of the euro outside the European Union;
 - research activities, and
 - provision of specific operational expertise;
 - (b) Technical, scientific and operational support, including in particular:
 - any measure which establishes teaching resources at European Union level (handbook of EU 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;
 - development of technical support instruments and methods to facilitate detection activities at European Union level;
 - financial 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) Grants to finance the purchase of equipment to be used by specialised anti-counterfeiting authorities for protecting the euro against counterfeiting.

Chapter II

Financial framework

Article 9

Financial allocation

The financial allocation for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 shall be EUR 7700000, in current prices.

Article 10

Financial assistance and co-financing

1. The Commission shall implement the Programme in accordance with the Financial Regulation.
2. Union funding for activities provided for under Article 8 shall take the form of:
 - (a) Grants;
 - (b) Public procurement;
3. The purchase of equipment shall not be the sole component of the grant agreement.
4. The co-financing rate for grants awarded under the programme shall not exceed 80 % of the eligible costs. In exceptional and duly justified cases, defined in the annual work programme referred to in Article 11, the co-financing rate shall not exceed 90 % of the eligible costs.
5. Where the activities provided for in Article 8 are organised jointly with other partners such as the ECB, Eurojust, Europol or Interpol, the ensuing expenses shall be divided between the partners. In any event, each partner shall bear the travel and accommodation costs of its own guest speakers.

Article 11

Annual Work Programme

In order to implement the programme the Commission shall adopt annual work programmes. They shall set out the objectives pursued, the expected results, the method of implementation and their total amount. They shall also contain a description of the actions to be financed, an indication of the amount allocated to each action and an indicative implementation timetable.

They shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

Budget allocated to communication actions to be carried out by the Commission under this Regulation shall also cover the corporate communication of the political priorities of the European Union.

Chapter III

Monitoring and evaluation

Article 12

Monitoring, evaluation and management

1. The Programme shall be implemented by the Commission in cooperation with the Member States, through consultations at different stages of the implementation of the Programme, within the appropriate advisory committee provided for in Regulation (EC) No 1338/2001, taking into account relevant measures undertaken by other competent entities, in particular the ECB and Europol. The Commission shall seek to ensure consistency and complementarity between this European Union action programme and other relevant programmes and activities.
2. The Commission shall provide annual information on the results of the Programme to the European Parliament and to the Council. Information on consistency and complementarity with other programmes and activities at Union level shall be included. The Commission shall constantly disseminate the results of the activities supported under the Programme. All participating countries shall provide the Commission with all the data and information necessary to permit the monitoring and evaluation of the Programme.
3. An evaluation of the Programme shall be carried out by the Commission. No later than by 31 December 2017, an evaluation report shall be established by the Commission on the achievement of the objectives of all the measures (at the level of results and impacts), the efficiency of the use of resources and its European added value, in view of a decision on the renewal, modification or suspension of the measures. The evaluation shall additionally address the scope for simplification, its internal and external coherence, the continued relevance of all objectives, as well as the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall take into account evaluation results on the long-term impact of the predecessor measures. The longer-term impacts and the sustainability of effects of the Programme shall be evaluated with a view to feed into a decision on a possible renewal, modification or suspension of a subsequent Programme.
4. In addition, by 31 December 2021, the Commission shall present to the European Parliament and to the Council a report on the achievement of the objectives of the Programme.

Article 13

Protection of the financial interests of the European Union

1. The Commission shall take appropriate measures ensuring that, when activities financed under this Regulation are implemented, the financial interests of the Union are protected through the application of preventive measures against fraud, corruption and any other illegal activities, through effective checks and, if irregularities are detected, through the recovery of the amounts wrongly paid and, where appropriate, effective, proportionate and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds under the Programme.

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract concerning Union funding.

Without prejudice to the first and second subparagraphs, cooperation agreements with third countries and international organisations and grant agreements and grant decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections.

Chapter IV

Final provisions

Article 14

Repeal

Council Decisions 2001/923/EC⁹, 2001/924/EC¹⁰, 2006/75/EC¹¹, 2006/76/EC¹², 2006/849/EC¹³ and 2006/850/EC¹⁴ are repealed with effect from 1 January 2014.

⁹ OJ L 339, 21.12.2001, p. 50.

¹⁰ OJ L 339, 21.12.2001, p. 55.

¹¹ OJ L 36, 8.2.2006, p. 40.

¹² OJ L 36, 8.2.2006, p. 42.

¹³ OJ L 330, 28.11.2006, p. 28.

¹⁴ OJ L 330, 28.11.2006, p. 30.

However, financial obligations relating to activities pursued under those Decisions shall continue to be governed by those Decisions until their completion.

Article 15

Entry into force

This Regulation shall enter into force on the 20th day following that of its publication in the Official Journal of the European Union.

It shall apply as of 1 January 2014.

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. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 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 operational appropriations*
 - 3.2.3. Estimated impact on appropriations of an administrative nature*
 - 3.2.4. Compatibility with the current multiannual financial framework*
 - 3.2.5. Third-party participation in financing*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

Council Regulation of [...] establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the ‘Pericles 2020’ programme).

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 in the ABM/ABB structure¹⁵

Policy area: 24 - Fight against fraud

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 action¹⁶**
- 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. Objectives

1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

This proposal is part of the Commission’s package linked to the next Multiannual Financial Framework (co-financing EU programme in the context of the 2014-2020 Multiannual Financial Framework).

The general objective of the Programme shall be to support and supplement the measures undertaken by the Member States in order protect the euro banknotes and coins against counterfeiting and related fraud, thus assisting the competent national and European authorities in their efforts to develop between themselves and with the European Commission a close and regular cooperation, also including third countries and international organisations.

1.4.2. Specific objective(s) and ABM/ABB activity(ies) concerned [ABM/ABB activity number 240202]

The short-term objectives of the Programme shall encompass:

¹⁵ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

¹⁶ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

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| (1) | raising awareness of the Union and international dimension of the euro; expanding general knowledge related to the protection of the euro; |
| (2) | supporting the prevention and contributing to repression of euro counterfeiting and related fraud through specialised training and assistance in these areas; |
| (3) | promoting convergence of high-level training activities for trainers, taking into consideration national operational strategies; |
| (4) | encouraging closer cooperation between the structures and staff concerned, developing mutual trust and exchanging information, <i>inter alia</i> of methods of action, experience and work practices; |
| (5) | supporting the development of specific legal and judicial protection of the euro; |
| (6) | increasing the level of protection of the euro in those countries that have been evaluated as being at risk by supporting the purchase of specific equipments. |

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The beneficiaries targeted by the proposal are exclusively the competent authorities of Member States for the protection of the euro. Target groups for the action of the Programme are all staff in public and private sector related to the protection of the euro.

Effects shall comprise:

- | | |
|-----|--|
| (1) | positive impact on national and cross-border actions for prevention and repression of euro related counterfeiting and fraud; |
| (2) | possibility for the competent authorities of Member States to obtain support in their efforts to achieve and maintain a high and equivalent level of protection of the euro banknotes and coins; |
| (3) | benefit for relevant staff from an appropriate dissemination of general and specific knowledge and the development of cooperation and dedicated networks for the protection of the euro banknotes and coins; |
| (4) | assistance to Member States and third countries in improving their institutional and legal framework to a harmonised high standard for the protection against currency counterfeiting and related fraud. |

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

Main indicators for monitoring the implementation of the specific objective:

- level of counterfeit euro banknotes and coins;
- number of counterfeit workshops dismantled,

- individuals arrested and
- sanctions imposed

The work programmes will specify specific targets and key milestones for the implementation of the programme.

1.5. Grounds for the proposal/initiative

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.

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

Taking into account past experience and results under the implementation of Pericles, Pericles 2020 shall address several challenges to protect the euro against counterfeiting:

- new threats are emerging as the euro banknotes and coins continues to be of interest to criminal groups in an increasing number of third countries. The Pericles 2020 should be in the position to offer adequate support to the authorities of these countries to address the situation;
- the introduction of the new series of euro banknotes in the coming years is likely to increase demand for awareness-raising, as well as specialised training;
- new countries will be joining the EU and, potentially the euro area, which will add to the training needs;
- the demand for Pericles support should also be seen against the background of austerity and diminishing resources in Member States.

1.5.2. Added value of EU involvement

The Pericles 2020 programme is expected to contribute to maintaining and further raising the level of protection of the euro through awareness-raising actions and specialised training of relevant staff; exchanges of staff thus further promoting cooperation and networking among competent services of Member States and with third countries; provide technical assistance to the authorities involved in the protection of the euro.

These actions are expected to increase effectiveness of prevention and repression of euro counterfeiting and related fraud.

1.5.3. Lessons learned from similar experiences in the past

The Pericles programme was evaluated twice, in 2004 and in 2011. The evaluations showed that the Programme achieved its objectives and all beneficiaries expressed the view that the Programme must be continued.

The evaluations also showed areas where the Programme should be improved, namely a need for simplification of procedures, rationalisation of use of the grant and the greater possibility to assist authorities of third countries in their effort to protect Europe's single currency.

1.5.4. Coherence and possible synergy with other relevant instruments

The impact assessment showed that the Pericles programme is the only EU programme specifically dedicated to the protection of the euro against counterfeiting. Pericles should continue to support, for the period covered (2014-2020), a set of activities that are complementary to the activities covered by other programmes. To that end, dialogue at both national and EU level will continue to be organised in order to avoid potential overlaps and ensure overall coherence.

1.6. Duration and financial impact

X Proposal/initiative of **limited duration (7 years: from 2014-2020)**

- **X** Proposal/initiative in effect from 01/01/2014 to 31/12/2020
- **X** Financial impact from 2014 to 2023 (from 2021 to 2023 for payment appropriations only)

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) envisaged¹⁷

X Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities¹⁸
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

The procedure for determining the costs to be borne by the beneficiary and the Commission respectively has been simplified compared to previous versions of the Programme.

¹⁷ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html.

¹⁸ As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

See Article 12 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 2017) 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 2021.

2.2. Management and control system

2.2.1. Risk(s) identified

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.
- Expenses declared by the beneficiary which don't fall under the scope of the grant agreement.
- Staff costs not sufficiently substantiated.

2.2.2. Control method(s) envisaged

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/OLAF's choice of a financial management plan is for a partially decentralised model for which all of the ex-ante verification is done in the central Budget Unit. All files are verified by at least 3 agents (the file manager and financial verifying agent in the budget unit and the operational 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 are carried out by the FVA 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 OLAF agent is present on the day action of the 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.
- Depending on a number of variables (the amount of the contract, the complexity of the file) an ex-post on the spot control is carried out by the financial and operational file operators. During those controls the quality as well as the financial impact of the output is evaluated. Commission/OLAF intend to carry out approximately 10 on the spot checks per year.

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 OLAF and the external party.
- OLAF performs controls of all deliverables and supervises all operations and services carried out by our frame work contractor.

Additionally, in compliance with Article 13 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 OLAF to have sufficient assurance of the quality and regularity of the expenditure and reduce the risk of non-compliance. The depth of the assessment reaches generally Level 3 and in some cases Level 4 where an on the spot check

has been carried out¹⁹. The above mentioned controls reduce the potential risks virtually to zero and reach 100% of the beneficiaries.

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

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

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

See Article 13(2) of the proposal. The Commission shall carry out on-the-spot checks and inspections under this programme in accordance with Council Regulation (Euratom, EC) No 2185/96 and, where necessary, investigations shall be conducted by OLAF in accordance with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

¹⁹

Control with reference to and including access to the underlying documentation that is available at the stage of the process in question.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
			Diff./non-diff ⁽²⁰⁾	from EFTA ²¹ countries	from candidate countries ²²	from third countries
[1A]	24.0202 Union programme for exchange, assistance and training in the protection of the euro against counterfeiting	Diff	YES	YES	NO	NO

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

²⁰ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

²¹ EFTA: European Free Trade Association.

²² Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

Heading of multiannual financial framework:	Number	1A Smart and inclusive growth								
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DG: OLAF			Year 2014 ²³	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021- 2023	TOTAL
• Operational appropriations											
24 02 02	Commitments	(1)	1,0	1,1	1,1	1,1	1,1	1,1	1,2		7,7
	Payments	(2)	0,9	1	1	1	1	1	1	0,8	7,7
Appropriations of an administrative nature financed from the envelope for specific programmes ²⁴											
Number of budget line		(3)									
TOTAL appropriations for DG OLAF	Commitments	=1+1a +3	1,0	1,1	1,1	1,1	1,1	1,1	1,2		7,7
	Payments	=2+2a +3	0,9	1	1	1	1	1	1	0,8	7,7
• TOTAL operational appropriations	Commitments	(4)	1,0	1,1	1,1	1,1	1,1	1,1	1,2		7,7
	Payments	(5)	0,9	1	1	1	1	1	1	0,8	7,7
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)									
TOTAL appropriations	Commitments	=4+ 6	1,0	1,1	1,1	1,1	1,1	1,1	1,2		7,7

²³ Year N is the year in which implementation of the proposal/initiative starts.

²⁴ 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.

under HEADING 1A of the multiannual financial framework	Payments	=5+ 6	0,9	1	1	1	1	1	1	0,8	7,7
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If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)									
	Payments	(5)									
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)									
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6	1,0	1,1	1,1	1,1	1,1	1,1	1,2		7,7
	Payments	=5+ 6	0,9	1	1	1	1	1	1	0,8	7,7

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

		Year 2014 ²⁵	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021- 2023	TOTAL
DG: OLAF										
• Human resources		0,191	0,191	0,191	0,191	0,191	0,191	0,191	0	1,337
• Other administrative expenditure		0,015	0,015	0,015	0,015	0,015	0,015	0,015	0	0,105
TOTAL DG OLAF	Appropriations									

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	0,206	0,206	0,206	0,206	0,206	0,206	0,206	0	1,442
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		Year 2014 ²⁶	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021- 2023	TOTAL

²⁵ Year N is the year in which implementation of the proposal/initiative starts.

²⁶ Year N is the year in which implementation of the proposal/initiative starts.

TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	1,206	1,306	1,306	1,306	1,306	1,306	1,406	0	9,142
	Payments	1,106	1,206	1,206	1,206	1,206	1,206	1,206	0,800	9,142

3.2.2. Estimated impact on operational appropriations

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

EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			Year 2014 ²⁷	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL		
										OUTPUTS		
	Type of output	Average cost of the output	Number. outputs	Cost	Number. outputs	Cost	Number. outputs	Cost	Number. outputs	Cost	Total number output	Cost
SPECIFIC OBJECTIVE N° 1												
Maintenance of the current overall level of training and technical												

²⁷

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

assistance																	
Action 1: Pericles grant programme		12	0,700	12	0,770	13	0,770	13	0,770	14	0,770	14	0,770	14	0,840	96	5,390
Output 1: Seminar		7		6		6		6		7		6		7		45	
Output 2: Staff Exchange		4		6		7		7		7		8		6		45	
Output 3: Studies		1												1		2	
Output 4: purchase of equipments		1		1				1		1						4	
Action 2: Procurement			0,30		0,330		0,330		0,330		0,330		0,330		0,360	27	2,310
Output 1: Seminars		4		4		4		3		3		3		3		24	
Output 2: Staff Exchange																	
Output 3: Studies						1						1		1		3	
Sub-total for Specific Objective 1		1,000		1,100		1,100		1,100		1,100		1,100		1,200	123	7,700	
TOTAL COST		1,000		1,100		1,200		7,700									

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

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

EUR million (to 3 decimal places)

	Year 2014 ²⁸	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020 and later	TOTAL
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HEADING 5 of the multiannual financial framework								
Human resources	0,191	0,191	0,191	0,191	0,191	0,191	0,191	1,337
Other administrative expenditure	0,015	0,015	0,015	0,015	0,015	0,015	0,015	0,105
Subtotal HEADING 5 of the multiannual financial framework								

Outside HEADING 5²⁹ of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								

²⁸ Year N is the year in which implementation of the proposal/initiative starts.

²⁹ 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.

Subtotal outside HEADING 5 of the multiannual financial framework								
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TOTAL	0,206	1,442						
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3.2.3.2. 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

	Year 2014 ³⁰	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020 and later
Establishment plan posts (officials and temporary agents)							
24 01 06 - A3 01 01 (Headquarters and Commission's Representation Offices)	1.5	1.5	1.5	1.5	1.5	1.5	1.5
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
I0 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE) ³¹							
24 01 02 01 (CA, INT, SNE from the "global envelope")							
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy ³²	at Headquarters ³³						
	In delegations						
I0 01 05 02 (CA, INT, SNE - Indirect research)							
I0 01 05 02 (CA, INT, SNE - Direct research)							
Other budget lines (specify)							

³⁰ Year N is the year in which implementation of the proposal/initiative starts.

³¹ CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délegation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

³² Under the ceiling for external personnel from operational appropriations (former "BA" lines).

³³ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

TOTAL	1.5	1.5	1.5	1.5	1.5	1.5	1.5
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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 agents	1,5 officials (0,75 AD, 0,75 AST) 1,5 x 127.000 =190.500
External personnel	

3.2.4. Compatibility with the current multiannual financial framework

- Proposal/initiative is compatible the current multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework³⁴.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

- 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 3 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 cofinanced							

³⁴

See points 19 and 24 of the Interinstitutional Agreement.

3.3. Estimated impact on revenue

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

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ³⁵					
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect 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.

ANNEX to the LEGISLATIVE FINANCIAL STATEMENT

Name of the proposal/initiative:

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the Pericles programme, the Union programme for exchange, assistance and training in the protection of the euro against counterfeiting

- (1) NUMBER and COST of HUMAN RESOURCES CONSIDERED NECESSARY
- (2) COST of OTHER EXPENDITURE of an ADMINISTRATIVE NATURE
- (3) METHODS used for the CALCULATION of COSTS

Relating to human resources

³⁵ 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.

Relating to other administrative expenditure

This annex will accompany the legislative financial statement during the inter-services consultation.

The tables included in the present serve to fill in the tables in the legislative financial statement.

The present annex is an internal document to be kept within Commission services.

(1) Number and cost of human resources considered necessary

X The proposal/initiative requires the use of human resources, described as follows:

EUR million (to 3 decimal places)

HEADING 5 of the multiannual financial framework	Year 2014		Year 2015		Year 2016		Year 2017		Year 2018		Year 2019		Year 2020		TOTAL		
	FTE	Appropriations	FTE	Appropriations													
• Establishment Plan Posts (officials and temporary agents)																	
24 01 06 – A3 01 01 (at headquarters and in Commission representation offices in Member States)	AD	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	5,25	0,667
	AST	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	0,75	0,0953	5,25	0,667
XX 01 01 02 (in delegations)	AD	p.m.	p.m.	p.m.	p.m.	p.m.											
	AST	p.m.	p.m.	p.m.	p.m.	p.m.											
• External personnel³⁶																	
24 01 06 00 (the global envelop)	CA	p.m.	p.m.	p.m.	p.m.	p.m.											
	INT	p.m.	p.m.	p.m.	p.m.	p.m.											

³⁶

CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert; TA= Technical Assistance.

	TA	p.m.	p.m.	p.m.	p.m.												
	SNE	p.m.	p.m.	p.m.	p.m.												
XX 01 02 02 (in delegations)	CA	p.m.	p.m.	p.m.	p.m.												
	INT	p.m.	p.m.	p.m.	p.m.												
	JED	p.m.	p.m.	p.m.	p.m.												
	LA	p.m.	p.m.	p.m.	p.m.												
	SNE	p.m.	p.m.	p.m.	p.m.												
Other budget line (please specify)																	
Sub-total – HEADING 5 of the multiannual financial framework		1.5	0.191	10.5	1.337												

24 is the policy area or budget title concerned

Outside HEADING 5 of the multiannual financial framework	Year 2014		Year 2015		Year 2016		Year 2017		Year 2018		Year 2019		Year 2020		TOTAL	
	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FT E	Appropriations	FTE	Appropriations	FTE	Appropriations	FT E	Appropriations	FTE	Appropriations
• Establishment Plan Posts (officials and temporary agents)																

XX 01 05 01 (indirect Research)	AD	p.m.															
	AST	p.m.															
10 01 05 01 (direct Research)	AD	p.m.															
	AST	p.m.															

• External personnel³⁷

XX 01 04 yy Appropriations for external personnel authorised on former "BA" lines	At headquaters	CA	p.m.														
		IN T	p.m.														
		SNE	p.m.														
	In delegations	CA	p.m.														
		INT	p.m.														

³⁷

CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

		JE D	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
		LA	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
		SN E	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
XX 01 05 02 (Indirect research)		CA	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
		IN T	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
		SN E	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
10 01 05 02 (Direct research)		CA	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
		IN T	p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							
Sub-total – Outside HEADING 5 of the multiannual financial framework			p.m.	p.m.	p. m.	p.m.	p.m.	p.m.	p. m.	p.m.							

EUR million (to 3 decimal places)

	Year 2014		Year 2015		Year 2016		Year 2017		Year 2018		Year 2019		Year 2020		TOTAL	
	FTE	Appropriations	FTE	Appropriations												
TOTAL HEADING 5 and Outside HEADING 5 of the multiannual financial framework	1.5	0.191	10.5	1.337												

The human resources required will be met by the allocations already assigned to management of the action and/or to be redeployed, 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 existing budgetary constraints

(2) Cost of other expenditure of an administrative nature

X The proposal/initiative requires the use of appropriations of an administrative nature, described as follows:

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
HEADING 5 of the multiannual financial framework								
<u>At headquarters:</u>								
24 01 06 - A3 01 02 11 - Missions and representation costs	0.015	0.105						

24 01 06 00 - Conferences and meetings	p.m.							
24 01 06 00 - Meetings of Committees³⁸	p.m.							
24 01 06 00 - Studies and consultations	p.m.							
24 01 06 00 - Management & information IT systems	p.m.							
24 01 06 00 - Further training	p.m.							
24 01 06 00 - Equipment and furniture	p.m.							
24 01 06 00 04 - Services & other operating expenditure	p.m.							
In delegations:								
24 01 06 A3 01 02 11 - Missions, conferences and representation costs	p.m.							
24 01 06 00 - Further training of staff	p.m.							
24 01 06 00 - Acquisition, renting and related expenditure	p.m.							
24 01 06 00 - Equipment, furniture, supplies and services	p.m.							
Sub-total HEADING 5 of the multiannual financial framework	0.015	0.105						

24 is the policy area or budget title concerned

³⁸

Specify the type of committee and the group concerned.

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
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Outside HEADING 5 of the multiannual financial framework								
24 01 06 yy - Administrative and technical assistance <i>(excluded external personnel)</i> , financed by operational appropriations (former "BA" lines)	p.m.							
- at Headquarters	p.m.							
- in delegations	p.m.							
24 01 06 00 - other management expenditure for indirect research	p.m.							
24 01 06 00 - other management expenditure for direct research	p.m.							
Sub-total Outside HEADING 5 of the multiannual financial framework	p.m.							

24 is the policy area or budget title concerned

TOTAL HEADING 5 and Outside HEADING 5 of the multiannual financial framework	0.015	0.105						
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The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, 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 existing budgetary constraints.

EN

(3) Methods of calculation used to estimate costs

Relating to human resources

Give details of the method of calculation used for each category of staff (assumptions, average costs, etc.)

HEADING 5 of the multiannual financial framework

Reminder: Average costs for each category of staff are available on the BudgWeb site:
http://www.cc.cec/budg/pre/legalbasis/pre-040-020_preparation_en.html#forms

- relating to establishment plan posts (officials and temporary agents) – Financial managers and assistants and Operational file managers and assistants

- Administrative Support : 0,25 AD + 0,25 AST
- Programme management : 0,50AD + 0,50 AST

Current average rates for officials and temporary agents have been used:

- Official: 127.000 EUR/year
- Temporary agent: 127.000 EUR/year

- relating to external personnel

Not applicable

Current average rates for officials and temporary agents have been used:

- Contractual agent: 64.000 EUR/year
- Technical assistance: 160,000 EUR/year
- Seconded National Expert: 73.000 EUR/year

Outside HEADING 5 of the multiannual financial framework

- relating to establishment plan posts (Research officials and temporary agents)

N/A

- relating to external personnel

N/A

Relating to expenditure of an administrative nature

Give details of the method of calculation used for each budget line,

underlying assumptions (e.g. number of meetings per year, average costs, etc.)

HEADING 5 of the multiannual financial framework

Missions: assumption of 15 missions per year with average cost of EUR 1,000 per mission

Outside HEADING 5 of the multiannual financial framework

N/A