

**The Introduction of the Euro and  
its Impact on Local and Regional Authorities**

**A Handbook of Good Strategies and Preparatory Measures**

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## *I. INTRODUCTION*

The final changeover to euro notes and coins on 1 January 2002, a European common currency, is obviously an historic event for approximately 300 million inhabitants in 12 European countries and in nearly 300 regional and 70,000 local authorities. As a matter of fact, no general model is tailored and applicable to such practical challenges in this local and regional governance.

Taking this into account, this publication is a practical handbook of examples and cases of good strategies and preparatory measures in the daily management of the overall introduction of the euro in Europe's regions and cities.

The results of the project constitute the response of the European Centre for the Regions (EIPA-ECR) to a restricted invitation to tender and launch by the Committee of the Region (CoR), who with this initiative was fully aware of the fact that successful implementation of the new currency can only be successful if the local and regional levels are able to play a key role in areas such as communication and dissemination of the euro to the citizens.

The handbook's **overall objective** is to present some examples of the Eurozone's regions and municipalities developed in the course of the practical preparations for the implementation of the euro. These examples highlight selected initiatives, strategies and actions used by regional and local authorities to:

- disseminate euro information to the widest possible public, including marginal groups (e.g. communication plans, euro games, simulation techniques)
- enhance awareness among the sub-national administrations, civil society bodies, SMEs etc. (e.g. internal legal adaptation and organisational procedures, training programmes)
- assess and estimate the financial implications of the currency change (e.g. change in software and hardware issues, strategic economic consequences and effects) etc.

The **core** of the study, based on this overall goal, is the presentation of a number of cases that follow a methodology encompassing in principle:

- a brief description of the region or city (background information on geographic, demographic or socio-economic data) and/or its institutional integration in the national framework;
- a brief description of the main players, project partners and/or target groups dealt with in the cases;
- a detailed description and analysis of the instruments and tools used during the euro activities;
- a quantitative description of the actions carried out and target groups reached;
- a description of the main obstacles encountered and challenges faced with when implementing the euro initiatives;
- an assessment of the level of success and effectiveness of the intended measures.

The publication starts with a general chapter (II.) that has been prepared on the basis of the knowledge and information obtained by and drawn from the cases. It briefly deals with the impact of euro introduction in local and regional authorities and points out key areas and decisions the local and regional entities need to take and the requirements they had to focus on during the transition phase, with respect to inter alia how to best inform the public of how they are adapting to the introduction of the euro or what additional rules, regulations and mechanisms are involved in this process.

This chapter especially focuses on the need for the regions and municipalities to adopt a pro-active approach aimed at producing a smooth transition to the common currency. This could be an important lesson to current countries which have not yet joined and, in the near future, to the next wave of incoming Member States when they begin preparations for introducing the euro. In this context, the findings of the handbook can also be seen and used as a practical manual ("exchange of good practices") or guidance by these groups of future eurozone members.

It ends with a presentation of: (a) the cases by describing in a table what the potential reader will find in the cases in accordance with the methodology and key priorities mentioned above, (b) a list of regions and municipalities included in the publication.

Subsequently, the cases and examples are arranged in a two-fold manner in chapter III in two different ways. The first part (A.) mentions a small number (four) of regional and local initiatives giving detailed information and listing the activities developed that have (or have had) a pro-active effect on different

segments of the population in their preparations for or understanding of the single currency, in particular with regard to the physical introduction of euro notes and coins. These examples are analysed in greater depth by introducing a "strength box" identifying and indicating specific key positive findings and elements.

The subsequent part (B.) of chapter III. displays more examples of good initiatives and preparatory measures (in alphabetical order) subdivided in a 1.) "Regional" and 2.) "Local" section. The description of a number of 14 examples is for information and is designed to boost public awareness. They each conclude with a brief individual resumé.

The practical handbook concludes in a separate chapter (IV.) with an overall assessment of the euro exercises undertaken by the regional and local entities of the euro countries as well as a set of tentative recommendations in order to ensure the "eurofitness" in these authorities. Special attention in this context is given to the variety and diversity, as well as to the quality and quantity of information of cases/examples, which undoubtedly limits the study of any type of overall and comparative conclusions.

The **Annex** includes a bibliography with further recommended reading.

On the basis of the material available, a total number of 18 cases both including regional and local strategies and preparatory measures representing 11 euro countries have been included in this publication. In detail, three examples are taken from both Italy and Spain, two from Germany, Ireland and France, and



one each from Austria, Belgium, Finland, Portugal, the Netherlands and Greece (a horizontal example). These examples demonstrate and describe all kind of different actions and initiatives carried out concerning the implementation, the dissemination, and training on the use of the euro.

The data input and information of the cases have been received thanks to different channels such as the Members of the Committee of the Regions, through Commission 6 (responsible for "Employment, Economic Policy, Single Market, Industry and SMEs"), their National Delegation representatives, the European Commission (EC) representatives, web-sites on the euro run by the regions and municipalities etc. In addition, through personal contacts and interviews with persons dealing with the euro and contact persons in the regions and cities, which are referred to in each case, a large amount of valuable information has been provided and compiled.

In this context, we are particularly grateful for the very good collaboration with specific regional and local representatives who have contributed written information to this study. These are:

- The Azores case study (P) was written by Mr José Maria Matias, Regional Director on European Affairs, Autonomous Region of Azores.
- The Bonn case study (D) was written by Mr Bernhard Gehrman, Financial Department, City of Bonn.
- The Marche case study (I) was written by Mrs Carla Stramignoni, Head of the Euro Project for the Marche Region, Budget Service.

- The Friuli-Venezia-Giulia case study (I) was written by Mr Eugenio Ambrosi, Head of the Euro Project, Regional Directorate of European Affairs – Service for the Promotion of European Integration.

Inevitably, certain information, data and statistics reflect more recent developments and time periods in some cases than in others.

The expert team was lead and coordinated by Alexander Heichlinger (A), Lecturer & Project Leader, whilst overall responsibility for the project lay with Mr Eduardo Sánchez Monjo (E), as the Director and official representative of the ECR Barcelona. Advisory and academic support and supervision were given by Mrs Adriana Alvarez (MEX/B), Senior Lecturer (EIPA Maastricht) and Mr Phedon Nicolaides (Cyprus), Professor "Internal Market and Community Policies" (EIPA Maastricht). Mr Raymond Pelzer (NL), Responsible for Administration and Programme Organisation at the ECR, was in charge of the financial management of the study contract.

## ***II. The impact of the euro introduction in local and regional authorities - in a nutshell***

On 1 January 2002, Europe will experience the biggest currency conversion action in its history. Around fifteen billion euro notes and fifty billion euro coins are to replace roughly the same number of national coins and bank notes within a few weeks for around 300 million people in twelve different countries. The introduction of the euro is thus not just a historic event, but is also an unprecedented strategic, logistical and practical challenge. Companies, consumers and, especially, administrations have had to adapt to the new currency.

For the regions and municipalities of Europe the coming of the euro represented a real challenge.

It was a challenge because the regions have had to make extensive administrative adjustments to accommodate the new currency. Never before in human history have twelve national currencies just vanished to make way for one common currency. The national governments alone were not able to make all the preparations (e.g. change-over plans) necessary for a change that will affect so many aspects of life, European society as a whole and the citizens in particular. A great part of the task fell, in all countries, on sub-national governments.

Local and regional governments are responsible in many cases for social welfare programs, education, economic development, tourism, disbursing the

euro – and, perhaps most important of all, they are collectively the largest employer in Europe. It was therefore clear that the adaptation the regions have had to make included legal adjustments, institutional changes, internal organisational and technical adjustments, and measures (e.g. awareness campaigning) to alert and inform the public.

In this context, the work and requirements in the regional and local organisations, supported by academic findings, "hands-on" manuals and opinions drafted by experts on the topic (see Annex I), could - in principle - identify 5 groups of thematic areas of interventions that are displayed in the graph below.

Graph 1: Specification of Priority Areas of Euro Adaptation in the Regions & Municipalities



**5 Priority Areas:**

- Legal adaptation and institutional changes
- Internal technical implementation and re-orientation of policy strategies
- Co-ordination with other levels of public administration (higher and lower) and partners
- Financial and economic estimation
- Euro awareness building (staff training and info campaigns)

EIPA-ECR Barcelona



Whereas most of the cases cover initiatives relating to the five mentioned priority areas (e.g. Azores, Bonn, Berlin, Dublin etc.), other examples have been chosen and included for their treatment of specific euro-related problems (e.g. The Hague, Carinthia etc.). In accordance with the priority objectives of the study, emphasis has been given in many cases to mentioning and highlighting - above all - the various dissemination instruments tailored to the different target groups (e.g. the voluntary sector in the case of Veneto, the SMEs in the case of Murcia etc.) in the regions and municipalities/cities. The table below (Graph 2) sets out all five priority areas of the euro-adaptation process in regional and local entities and their level of appearance, presentation and treatment.

Graph 2: Presentation of the cases in relation to the priority areas of euro adaptation (in order of appearance).

<i>Cases</i> \ <i>Areas</i>	<i>Legal and Institutional Adaptation</i>	<i>Internal technical implementation &amp; re-orientation of policy strategies</i>	<i>Coordination with other levels/players</i>	<i>Financial and/or economic estimation</i>	<i>Awareness building (training and campaigns)</i>	<i>Evaluation/ Résumé</i>
<b>Azores (P)</b>	×		×		×	×
<b>Bonn (D)</b>	×	×	×	×	×	×
<b>Marche (I)</b>	×	×			×	×
<b>Sitges (E)</b>			×		×	×
<b>Berlin (D)</b>	×	×	×		×	×
<b>Cantabria (E)</b>			×	×	×	×
<b>Carinthia (A)</b>	×		×	×		×
<b>Friuli-Venezia-Giulia (I)</b>	×		×		×	×
<b>Murcia (E)</b>			×		×	×

<i>Cases</i> \ <i>Areas</i>	<i>Legal and Institutional Adaptation</i>	<i>Internal technical implementation &amp; re-orientation of policy strategies</i>	<i>Coordination with other levels/players</i>	<i>Financial and/or economic estimation</i>	<i>Awareness building (training and campaigns)</i>	<i>Evaluation/ Résumé</i>
<b>Veneto (I)</b>			×		×	×
<b>Besançon (F)</b>		×			×	×
<b>Dublin (IRL)</b>	×	×	×		×	×
<b>Greece (EL)</b>	×		×		×	×
<b>Hasselt (B)</b>		×			×	×
<b>Hyvinkää (FIN)</b>		×	×		×	×
<b>Loughrea (IRL)</b>		×	×		×	×
<b>Orléans (F)</b>	×	×				×
<b>The Hague (NL)</b>		×	×			×

× ..... the topic has been dealt with/ reference has been made in the case;

The euro, implemented successfully and strategically by the regions, cities and municipalities, will create both for the first time after the Treaties of Rome a greater common European identity for its citizens and, hence, mean a quantum leap in the European unification process.

Furthermore, in conjunction with the Single Market and in line with recent opinions and tendencies on socio-economic restructuring –the growing importance of regional and local players and their new role of basic economic players in the configuration of a new spatial pattern of economic development– the euro will further strengthen the regions and confirm trends towards a significant loss of influence of state boundaries in the process of growth and overall (economic) development.

However, to what extent the euro's impact at regional and local level will contribute to enhancing the power and importance of these entities is still not entirely clear. Many other factors, both political and legal, will have an impact on the future of regional and local territories in Europe. But it is hard to imagine any scenarios in which these levels would be weakened in a Europe where there is a single currency in everyday use. The 18 cases presented below and the many other good examples in Europe's regions and municipalities clearly support this scenario.



### ***III. Examples of good strategies and preparatory measures***

#### ***A. IN DEPTH ANALYSIS***



## *The AZORES (Portugal)<sup>1</sup>*

- High penetration and coverage of population (every parish of the archipelago, every household, rural areas etc.) with euro information;
- Well thought-out timetable for euro campaigning actions with two peak periods (late 1998 and 2001);
- Extensive partnerships with other regional and local organisations (including the Catholic Church) and good coordination with higher level(s);
- Provision of sufficient resources and an efficient use of them; this was necessary due to the high operational costs (geographically scattered area);
- Decentralised power structure and political priority of the issue were additional positive elements.

### **I. Some socio-economic characteristics of the autonomous regions of the Azores**

The Azores archipelago is situated in the North Atlantic, 1,600 km from the Portuguese mainland, and is made up of nine islands: Santa Maria, São Miguel, Terceira, Graciosa, São Jorge, Pico, Faial, Flores and Corvo. Of all the islands, Faial and Pico are closest to one another - they are about 6 km apart - and Santa Maria and Corvo are the furthest apart - lying approximately 600 km from each other.

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<sup>1</sup> This case study was written by Mr José Maria Matias, Regional Director on European Affairs, Autonomous Region of Azores. The information in full is also available under the website [www.multi.pt/azores/raa](http://www.multi.pt/azores/raa).

The total surface area of the archipelago is 2,333km<sup>2</sup> (about 2.5% of the surface area of Portugal); the smallest island is Corvo, with a surface area of 17 km<sup>2</sup>, and the largest is São Miguel with 658 km<sup>2</sup>.

On 31 December 1999 the resident population was 246,090. The most highly populated island is São Miguel with 132,980 inhabitants. The smallest is Corvo with a population of 300.

In 2000, the working population comprised 41.1% of the total population. The workforce has gradually been increasing due to a rise in the participation rate of women over the last few years, rising from 25.6% in 1992 to 28.2% in 2000. Employment is broken down between sectors as follows: the majority of the population, that is 57.1%, is employed in the tertiary sector; the secondary and primary sectors employ 26.6% and 16.3% respectively. Unemployment had been on the decline, shrinking from 6.3% in 1996 to 3% in 2000. The 1991 census indicated that the illiteracy rate in the Azores was 10%, rising to 35.1% amongst the over 65s.

## **II. Legal and institutional framework for public information on the euro**

By Resolution 158 of 9 July 1998, the regional government adopted the Programme for preparing for the introduction of the single currency in the Azores and set up the Euro Commission of the Azores Autonomous Region (CERAA). This Resolution also stipulated that a euro working group be set up in each government department, with coordinators from these groups participating in the commission's work. Also working with the CERAA is a

representative from the Regional Directorate for Azores Communities, which is the part of the regional administration responsible for links with Azores communities living and working abroad.

The main lines of action set out in the programme for preparing for the introduction of the single currency in the Azores are: sending out information to the general public, sending information to businesses and providing back-up for their preparations, sending out information to communities abroad and collaborating with national public bodies (the region has also adopted the national measures on the introduction of the single currency). A format was devised for cooperation and partnership with regional and national private bodies and local authorities. Work was stepped up gradually to reach peak intensity in the period immediately prior to 1 January 1999 and in the year 2001.

CERAA is responsible for: carrying out this programme, monitoring developments associated with the introduction of the euro, maintaining relations with the national Euro Commission, setting up partnerships and making suggestions for new lines of action for preparing the region for the new currency.

In addition, the Euro Commission was given the task of coordinating and driving the process of preparing the regional public administration for the changeover to the new currency. In 2000 the regional government, in Resolution 97 dated 25 May 2000, decided that all departments should compile detailed reports on the foreseeable impact of the changeover on their respective departments, list the changes which would need to be made to their

administrative procedures and assess the probable cost. They were asked to draw up a timetable for implementing those changes. The deadline for submitting these reports to the Office of the Presidency's Regional Secretary for Finance and Planning was set at 30 July 2000.

### **III. Current and completed work**

Activities for promoting public awareness of the euro in the Azores under the responsibility of the regional public administration began with the establishment of the CERAA in 1998. Prior to this, public information campaigns had been carried out under the responsibility of the Jacques Delors Centre and at the initiative of other bodies. In parallel to the other activities of the Regional Euro Commission and without its involvement, a variety of organisations such as banks, businesses and local authorities had been providing information to the public on the euro. As planned, the most intensive period of activity in these campaigns was in the last quarter of 1998 and efforts were again stepped up this year.

Some of the commission's work was carried out in conjunction with a variety of bodies such as the National Commission for the Euro, the Catholic Church, the Azores Chamber of Commerce and Industry, the Azores Consumer Protection Association, the Regional Bank and the regional unit of Acapo (national association for the visually handicapped).

Campaigns targeted the general public, schools, businesses, local authorities and vulnerable sections of the population such as the elderly, socially and economically disadvantaged and the physically handicapped. A number of

specific professional sectors were covered, such as farming cooperatives, fishermen, teachers and accountants.

In terms of land coverage, the activities (targeting the general public, businesses, civil servants and the visually impaired) were aimed at the entire archipelago (the nine islands) and were designed to ensure that public information sessions were held in every parish in the islands by the end of the year. 54 such activities have already been carried out in various parishes (there are 149 parishes in total). In most parishes, the public information campaigns also target a rural population; this is the sector which will encounter the greatest difficulties, not least because a significant share of the archipelago's elderly and disadvantaged population live in rural areas. Some parishes are organising more than one information scheme. In some, information on the euro has been delivered to every household.

One such case is Lagoa (20,000 inhabitants) where the town council has copied information on the euro produced by the CERAA and delivered it to every household. The CERAA, with financial support from the National Euro Commission, has set up four mini travelling exhibitions which will visit schools, hospitals and museums on the various islands of the Azores.

Up until the end of that period, the regional network for youth information, which is spread out throughout virtually the entire archipelago, will provide the general public with help in getting used to the new currency by giving information, helping clear up any queries and acting as an intermediary in situations requiring intervention by the CERAA and the National Euro Commission.

Projects specifically targeting businesses have already involved two rounds of sessions in the main towns of every local council, except in the council on the smallest island which will be dealt with separately. In late July and early August, the government official responsible for these projects (the regional secretary for finance) addressed a letter to around 9,000 Azores' businesses (including self-employed businessmen) alerting them to the need to speed up their preparations and informing them of the timetable and specific points to bear in mind; appended to the letter were two memorandums on the euro and the preparations which businesses needed to make. General information sessions for businesses to be carried out in conjunction with the regional bank and the Azores Chamber of Commerce and Industry, are planned for those parishes containing the highest number of businesses. In the parishes containing fewer businesses, these will be supplemented by explanatory sessions for individual businesses. A number of larger businesses have organised information sessions for their own employees - some of a general nature, others on technical support. Certain business types such as pharmacies will also be dealt with in specific information campaigns.

Two rounds of training sessions for accountants have been held in the three main towns of the archipelago (Ponta Delgada, Angra do Heróismo and Horta, each located on different islands). The training sessions for accountants were technical in nature and were carried out in conjunction with (and with the support of) the National Euro Commission and the sector's professional associations.

Training sessions for teachers have also been held in the same three main towns. Training for teachers is part of an overall strategy for providing schools and



colleges below university level with information and teaching resources to help prepare pupils, school employees and other teachers for the new currency. The commission has also carried out several information campaigns in schools themselves.

Another key element of the public information and preparation campaign for the euro being carried out by the regional public administration in the Azores is being developed under the European programme entitled EURO FÁCIL RUP. This programme, with support from the European Commission, was extended in its second stage to cover the Azores; the aim is to facilitate transition to the euro by means of practical training schemes and by providing information directly to vulnerable sections of the population such as minimum wage earners, elderly people and handicapped people (incorporating features which differ from the regional commission's work). The regional Euro Commission launched the process, providing the momentum and the necessary material support. This work was then handed over to the relevant parties and is now being developed by the government bodies responsible for social affairs: the Regional Directorate for Solidarity and Social Security and the Social Welfare Action Institute. There are currently 300 trainer-mediators working on this throughout the archipelago. 8,106 minimum wage-earners (33% of those receiving the minimum wage) and 3,156 elderly people (11% of this sector of the population) have been covered by this project. 288 such EURO FÁCIL RUP schemes have been held by the end of the year 2001.

In the last quarter of 1998, CERAA was working in close contact with the main newspapers in the three major cities in the region (weekly articles on the euro were published over a two-month period). This will be repeated in the last

quarter of 2001, this time involving all the newspapers in the archipelago. Television and radio stations in the Azores have broadcast nation-wide campaigns by the National Euro Commission and the Bank of Portugal/Central European Bank. These bodies will also launch nation-wide mail-shots covering the Azores. In 2000 CERAA sent out a mail-shot to all Azorian households (around 90,000) together with their electricity bills, with information on the euro and risks of fraud.

There is an ongoing information campaign on the euro for regional administration civil servants; the aim is to reach all departments in the administration. Around 30% of the regional administration's civil servants have been covered by these campaigns. Steps to prepare the regional public administration (which does not include local administration) were implemented without any hitches and have either been completed, or are in the process of being completed.

In conjunction with the regional Commission, the National Euro Commission launched training sessions for local authorities (local and parish councils) geared to general information on the euro and requirements for specific operational preparations. The CERAA held information sessions for civil servants in eight local authorities (42% of the local councils in the region); two of these had a technical/operational component.

The tables below provide figures on the Azores Euro Commission's information sessions. The table also includes the information schemes provided by the EURO FÁCIL RUP.

<b>TARGET PUBLIC</b>	<b>No. of sessions</b>	<b>No. of participants</b>	<b>% sessions in 2001</b>	<b>% participants in 2001</b>
<b>General public</b>	102	3,568	82.3%	84.9%
<b>Schools</b>	44	5,091	59.0%	69.4%
<b>Businesses</b>	44	2,049	45.5%	22.3%
<b>Public Admin.</b>	158	5,468	81.0%	83.0%
<b>TOTAL</b>	348	16,176	74.1%	71.5%

Of which the following were in partnership with:

	<b>No. of sessions</b>	<b>No. of participants</b>
<b>ACRA</b>	33	3,295
<b>COM NAC EURO</b>	10	867
<b>CCIA</b>	18	443
<b>CCIA/BCA/CEEMP</b>	19	1,300
<b>TOTAL</b>	80	5,905

**N.B.:** Updated on 2 October 2001

<b>Public covered by "Euro Fácil" schemes</b>	
Minimum wage earners	8,106
Elderly people	3,156
<b>TOTAL</b>	<b>11,262</b>

**N.B.:** There is a total of 300 trainers/mediators and support trainers.

**N.B.** Updated on 18 September 2001.

#### **IV. Assessment of work carried out in the Azores - results, difficulties and successes**

##### *a.) Results*

11% of the Azores population (i.e. 27,438 people) have participated directly in euro information schemes (CERAA and EURO FÁCIL RUP).

Despite being the poorest region in the country, the Azores has done better than two other Portuguese regions in terms of providing information to the public. National surveys only provide information on the two regions with a better record and the two with a worse record in this connection (there are eight regions in total); they indicate that the regional differences, although statistically significant, are not substantial.

As far as preparing businesses for the euro is concerned, although most businesses in the region consist of self-employed persons and mini and small businesses, the Azores is not far from the national average; quite the reverse, it has achieved good results lying above the national average on many points.

##### *b.) Difficulties*

The socio-economic situation in the region and the circumstances of the most vulnerable sectors of its population: the size (and characteristics) of the population which receives government support because of the low income levels in the region; an elderly, predominantly rural population with low education levels.

Inadequate participation by some social, economic and political operators in the region in euro information schemes - the actual introduction of the euro will affect all parts of society. A large part of the work which has been carried out has been at the initiative of the CERAA itself.

The islands of the archipelago are geographically scattered and this entails heavy operational costs for the information campaigns (travel always involves flights, with concomitantly high travel expenses, although efforts have been made to decentralize this work as far as possible).

*c.) Successes*

Work in partnership with other bodies has been a major element of success. Good working relations with the National Euro Commission have been decisive in successfully implementing the euro public information campaigns and the same is true of relations with regional business and consumer associations. The Catholic Church has been impeccable in its support and this has been fundamental to the success of this work. Direct support from the European Commission through the EURO FÁCIL RUP Programme has been of key strategic importance, making it possible to provide a better response to the information needs of the most vulnerable sectors of Azorian society.

The fact that the Azores is an autonomous region has contributed to its success in this area; this enabled it to set up a regional Euro Commission. We view the devolved powers of the Azores to be a necessary (but clearly not the sole) precondition for the effectiveness (and efficiency) of campaigns of this type.

Lastly, the fact that the regional government has given this issue political priority and the resources to go with it has also had an important impact.

## ***BONN (Germany)<sup>2</sup>***

- Early commencement of euro preparations as a local authority (in 1996);
- Clear and accurate calculations of costs, resources and time involved for adjustment processes;
- Revenue-neutral and "in-favour-of citizen" amendments of statutes and regulations;
- Devolved responsibilities within the city administration;
- Euro issue as (another) watchword in and for the ongoing political reorientation of the city;
- Active participation in the topic by national and European alliances and network associations.

### **I. Introductory remarks**

For over 40 years, the most important economic factor in Bonn was politics. The economic structure of the city, which became the seat of parliament and government after assuming the status of capital city in 1949, depended largely on the Federal Government. The Federal City of Bonn - situated in the beautiful Rhine valley, south of Cologne, with its calm and friendly climate and open-minded citizens, was at the heart of the German politics.

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<sup>2</sup> This case was been written by Mr Bernhard Gehrman, Financial Department, City of Bonn. The information in full is also available under the website [www.bonn.de](http://www.bonn.de)

In 1994 a new phrase was coined worthy of being entered in a dictionary: the Berlin-Bonn Law of 26 April 1994 gave Bonn the title of "Bundesstadt" (Federal City). The name affirms that Bonn will continue to fulfil important political responsibilities after parliament and parts of the government move to Berlin, a move planned for the turn of the millennium. The Law stipulated that there should be a "permanent and fair division of labour between the Capital City Berlin and the Federal City of Bonn" and assigned five political areas to Bonn:

- Education and science, culture, research and technology, telecommunications;
- Environment and health;
- Food, agriculture and forestry;
- Development policy, national and international organisations, and defence.

In the past few years, the Bonn region has developed into a centre for information and communications technology. An unparalleled technology and service infrastructure has arisen to meet the many demands of ministries, public authorities, research institutions, the media and national and international organisations.

The future contours of Bonn and its region are becoming more and more clear. Reorientation is the watchword – away from the primary focus on politics and towards high quality and variety in the fields of science, research and education, innovative business and international expertise. Bonn's natural advantages are its superb location in the centre of the European economic zone and good road,



rail and air connections, which will be further enhanced when the Cologne-Bonn airport is linked up to the ICE rail network.

Major telecommunications enterprises have set up their headquarters in Bonn. At the very top in this field is Deutsche Telekom, the largest telecommunications enterprise in Europe and the second largest in the world, providing 245,000 jobs. The firm's subsidiaries Detecon and T-Mobil are also managed from Bonn. Moreover, Bonn and the region are home to over 300 software and electronics enterprises. Bonn is the headquarters of important service industries, especially in the fields of banking, insurance and databases.

Bonn has been a UN City since 1996. The United Nations Volunteers, the Secretariat of the United Nations Framework Convention on Climate Change, the Bonn Convention on Migratory Species and the German UNIC have established their headquarters in Bonn. In 1999, the UNCCD will join the other UN organisations already based in Bonn, providing another link in the chain proving that Bonn is at the centre of many important international issues concerning the future.

## **II. The euro change-over project in Bonn**

Since 1996, the City of Bonn has intensively prepared for the currency conversion. Active participation in the Euro Working Group of the German Cities Association and in the European alliance of cities, *Eurocities*, has resulted in a lively exchange of experience at national and international level. Consequently, many cities in Germany and abroad have followed Bonn's example and have prepared for the euro in a similar way.

### **III. The main conversion areas**

The greatest need for conversion was generally to be found in the field of **data processing**. In Bonn, almost all of the test runs have been completed and the conversion to the euro at the beginning of next year is generally on target. Even the programmes used within the context of inter-authority working parties, e.g. processes to calculate and pay welfare benefits, the residents' tax office have been converted to the new euro currency by the local authority data processing centres on time and made available to the City of Bonn.

A significant number of the programmes used in Bonn were procured from external software manufacturers (e.g. the caution and fine process, administration of the music school and the adult education system, the library system, staff accounting systems). Within the context of the programmes maintenance and updating contracts, the software companies were obliged to convert their programmes to the euro. The administration did this in close cooperation with those involved in the process.

Agreement also had to be reached on organisational aspects of payment processes at the end of the 2001 financial year that are received at the end of 2001 (payment still in DM), but due in the next financial year 2002 (payment in euros). In these cases relevant measures had to be specified to control the process and applied with binding effect in order to ensure a clear separation of identification in the relevant currencies.

In connection with the **amendment of statutes** and administrative provisions from DM to euro, all regulations and local law related to currency have been

passed on to the Council and its committees for a decision. In this process the principle applied was that the introduction of the euro had to be revenue-neutral and that rounding up and rounding down cancelled each other out so that there were no increases in costs for the citizens or companies, nor any loss of income for the city. Unfortunately, in many cases the Federation and the German *Länder* have rounded down their charges, taxes and levies in favour of the citizens in order to increase acceptance, which leads sometimes to substantial losses in income for the cities and municipalities.

In conjunction with the amendment of statutes, the continuity of contracts and the automatic conversion from DM to euro should be emphasised. The continuity of contracts means that the contents of no contract, agreement or statute will be changed by the introduction of the euro. Only the currency name and the amount will change. Where local authority statutes and contracts could not be amended in time, all DM amounts will be automatically read and treated as euro amounts up to January 2002 with the fixed conversion rate in accordance with EC Regulation No. 974/98 of 3 May 1998. This will not affect the validity of the legal instruments in any way.

In addition to the DM amounts valid until 31 December 2001, the Council has also adopted euro amounts that will apply from 1 January 2002. For the transitional period in the first weeks of the New Year, when the administration will also accept payment in DM as a service for the public, these euro amounts must be converted according to the official conversion rate. This does not require a supplement to the content of the statute.

The adoption of a **double budget** for 2001 and 2002 made the introduction of the new currency in the budget and finance areas of the City administration much easier because the discussions in the Council committees could still be conducted in DM and the finance software only needed to be prepared for the conversion of the entire budget, cash and accounting system as of 1 January 2002. The Council adopted the budget statute for 2001 on 10 May in DM with the euro amounts for information. The statute for 2002 is in euros; but the DM is also stated for information.

All of the figures were presented and adopted in DM. At the end of 2001 the entire budget will be completely converted into euros and forms the basis for the presentation of the budget for 2003/2004 – then only in euros. This means that all the data for the years 1999 to 2005 of relevance to finances will be available both in DM and in euros.

The 103 municipal **parking permit dispensers** were adjusted to accept euros in November and December 2000. In the course of the conversion (costs approx. DM 70,000 / € 35,790), the software in the machines was replaced by a new version and the coin checkers were exchanged on a circular basis. The new coin checkers accept both DM and euros. At the same time as the conversion to euros, the parking permit dispensers were also fitted with software capable of dealing with plastic cards.

The responsible technical department is currently drawing up a detailed plan on converting parking permit dispensers so that payment with the new currency is possible immediately after introduction of the euro. They are considering converting at least one dispenser in December in parking areas with several

machines and marking these machines accordingly so that payment by euro can be made there from 1 January 2002.

Approx. DM 30,000 / € 15.339 are needed for the conversion of the 10 municipal **automatic payment machines in swimming pools**. The machines in open-air swimming pools were converted at the end of the season in September 2001. The machines in indoor pools will be converted to euros between Christmas and New Year. At this time staff will be available to serve customers who want to pay with DM in the first weeks of the new year. Moreover, from the autumn there will be heavier advertising for buying multi-entry tickets in order to reduce the cash sale of entry tickets at the start of the New Year.

In the City of Bonn there are a large number of other machines that accept cash in addition to those mentioned above. For example, the coin-operated machines in schools (coin-operated photocopiers, drinks machines, etc.) or the payment slots in public toilets. The deposit lockers in the municipal swimming pools, the public pay phones and the revenue stamp machines in different municipal offices also had to be converted from DM to euro. The rule for all machines is that on 1 January 2002 the euro will be the only valid means of payment. Although there is a so-called “modified regulation” in Germany, according to which it will be possible to pay at the machines that have not yet been converted with DM until 28 February 2002, this regulation is problematic for the public sector because legal certainty is not guaranteed and there must be no different charges (in DM and euro) for the same service. In other countries it is possible to pay either in euros or in the national currency until February.

#### **IV. Recommendations for action for the introduction of the euro**

The distribution of the **euro** is a particular challenge for all institutions and facilities involved. The banks, the police and security transport companies have long been drawing up detailed plans for meeting this challenge, and the local authorities also have important functions. In addition to increasing their own security measures for storing and transporting cash (for the City of Bonn we have registered the need for approx. € 155,000 for all cash desks, float management and stocks of change), the training of cash desk staff about the security features of the euro notes and the appearance of the 96 euro coins with the 45 different national reverse sides are especially important. Moreover, it may be necessary to introduce special legislation to allow money transporters to drive in city centre pedestrian zones at all hours in late 2001/early 2002, or to let them use bus and special lanes. The opening of mobile "bureaux de change" in busy places to speed up the changeover of cash is also part of this.

Contrary to the opinion previously expressed by many cities that after 1 January 2002 they would only accept euros, this year in May the German Cities Association decided to recommend to its member cities to also accept DM in the transitional period to the end of February 2002, in line with the voluntary agreement of the retail sector. The City of Bonn accepted this recommendation in order to be more "citizen-friendly" and will also react flexibly to individual cases.

As far as the introduction of euro and the **acceptance of DM** are concerned, the City Treasury has adopted an order on dealing with payments and specified

arrangements for the acceptance of DM for the first weeks of the New Year as follows:

- All cash desks and municipal employees authorised to accept payment outside the premises of the City Treasury shall pay the existing stocks of DM change in to Sparkasse Bonn on the last working day of 2001.
- The revenue cash desks and the authorised employees will receive a new, rounded float of change in euros in time before the start of 2002.
- To assist citizens and customers, from the beginning of 2002 until the end of the second week of January, a central euro change cash desk will be set up in the *Stadthaus* [City Hall], run by the City Treasury.
- At this desk, customers of all municipal revenue cash desks can convert DM into euros in line with the charges to be paid.
- A central exchange desk will also be set up in the district administrative centres.

As of 1 January 2002, the cities and municipalities must be in a position to produce accounts in euros and cents and to publish them, collect them and to record and identify them in their accounts. In spite of the legal automatic conversion that applies here (all DM amounts will be treated as euro amounts according to the conversion rate of 1.95583), the legal bases for these accounts are converted to euros by the local authorities. The down-stream processes and applications within administrations, such as software, forms, price labelling, notices, etc. must also be considered in this connection.

## **V. Informing the citizens and public relations**

Special importance is attached to public relations and information to the citizens in the last weeks and months of the conversion phase. Since the autumn, repeated special information campaigns on the conversion of the city administration to the euro, the possibility to pay in DM and euro, the new euro prices, the conversion of machines, etc. have been carried out in conjunction with Bonn's daily papers. In addition to the regular specialist reporting about the conversion of charges, fees and statutes from DM to euro, targetted oriented information for associations, senior citizens, schools, etc. have been carried out, in which, for example, reference has been made to the many information events for senior citizens or the visually impaired within the context of the "Euro Made Easy" project.

At the end of the year the public will be informed about the schedule for the individual stages of conversion in the city administration. The citizens will be given detailed information about the time of the conversion of the individual machines, the locations of the exchange desks, the new charges and entrance fees, etc. The possibility to pay in DM at machines that have not yet been converted will be published in the local press with relevant examples.

Quick, objective and comprehensive information of the public is especially important, as regards any problems with the conversion to the euro. In this way the cities and municipalities are contributing to a considerable improvement in the acceptance of the new currency.



## **VI. Tips and ideas for the final spurt to the euro in local authorities**

An important principle is the decentralised responsibility for the actual conversion work. Although many cities and local authorities have appointed a Euro Commissioner or a euro working group to coordinate the preparations, every office, service operation, service centre and institute within the city administration is responsible for the conversion to the new currency itself. The following ideas therefore apply to every department affected in any local authority:

- Arrange the staff needed for the New Year in the City Treasury, technical employees and computer specialists in plenty of time. Set up an “on-call” service for special circumstances. Prepare for problem areas (e.g. if a machine does not accept the new euro coins, if the euro change runs out more quickly than expected, if conversion errors are detected, if the DM data from 2001 have suddenly disappeared or if the machines cannot be converted on time). As the financial year 2001 is still dealt with in DM, there must be clear instructions for action because of the simultaneous euro bookings in the treasury and budgetary field.
- Inform your colleagues who accept payments about the features of the new currency and do not forget employees in offices that deal with the public (Citizens’ Service Department, Social Services) that will have to react to the public’s increased need for information in the first days and weeks of the New Year.
- Draw up a special deployment plan for the technical employees for the conversion of the parking permit dispensers and other coin-operated

machine, including the new price labels in euros. Specify in plenty of time, who will supply forms, brochures, etc. Will there be a central conversion from DM to euros (e.g. by the City Treasury) or should everyone bring his own float or change to the bank and convert it to euros. Does this entail any insurance problems?

- Remember to change forms, receipt pads, notices and price lists, brochures and advertising material, entrance tickets, stamps with a currency indication, coin-operated photocopiers, deposit lockers, text modules and euro signs in PC programmes, etc.
- At the end of the year save and store all historical data referring to the national currency. Activate all programmes, conversions and print-outs in euros at the start of work in 2002. To do this, regulate the deployment of computer staff and keep specialists ready to solve any problems that may occur in the early days of January. All local authorities in other countries will do so at the end of their transitional period.
- In particular, expect conversion problems on the first three working days of the New Year (Wednesday, 2 January 2002 to Friday, 4 January 2002). In particular, the Euro Commissioner, the euro working group, the Security Commissioner, the technical offices, the computer specialists, the caretakers and the employees in the Citizens' Service Departments will be especially challenged, as they will be the first to be confronted with questions about the new currency. Coordinated timely preparation helps to prevent crisis management.

## *MARCHE (Italy)*<sup>3</sup>

Some original and innovative euro initiatives with external information effects:

- "A scuola di euro" a (peripatetic) "school" on the euro focussed on young people (as multipliers) in the region proved to be the right decision, since the Euro Info Points and Centres were identified as having failed to provide enough information.
- Production, provision and diffusion of the regional annual budget in euro to all the population (in 1999) which had a two-fold effect, (1) to learn about the euro and (2) to make clear how the regions' funds were being spent.
- Announcement and launch of regional bonds (BOR in euros for the future access to the international capital market (in accordance with consultancies ratings).

### **I. Preliminary remarks**

Of Italy's 20 regions, 15 have an ordinary degree of regional autonomy and are referred to as "ordinary" regions (like Marche), while five regions (Friuli-Venezia Giulia, Sicily, Sardinia, Trentino-Alto Adige and Valle d'Aosta) are regulated by special statutes which provide these regions with greater autonomy

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<sup>3</sup> This case has been written by **Mrs Carla Stramignoni**, Head of Euro Affairs for the Marche Region, Budget Service. The information is also available in full on the website [www.regione.marche.it/euro](http://www.regione.marche.it/euro). The website has been designed by Mr Roberto Buccolini, Mrs Silvia Rossi and Mr Mauro Ercoli, Organisation Services.

and wider legislative powers, classifying them as "special" regions. The Marche Region is an ordinary region and was established in 1970 as a legal entity.

Marche is located along the eastern coast of Italy. The region occupies an area of approximately 9,694 square kilometres and is divided into 4 provinces. The region has a population of approximately 1.46 million, representing approximately 3% of the Italian population. Ancona is the capital, with a population of approximately 100,000 people. It is the 44th largest city in Italy.

## **II. The introduction of the euro in the Marche Region**

Despite the difficulties of the single European currency in relation to the US dollar, the introduction of the euro has marked the beginning of a Copernican revolution which has started a new process of harmonisation, integration and comparison, whose effects will positively influence the economy, the efficiency of services and of public administration in Italy.

The public administration of Marche has the main role in the transition process to the euro: it has the duty to ensure the implementation of the principle of “no compulsions, no prohibitions”. Under this principle during the transition period all the operators will be able to use both the euro and the domestic currencies for all the transactions with the public administration.

It is clear that, in order to secure a certain homogeneity, coherence and a standardised approach, all the public administrations will have to face up to problems linked to the introduction of the euro as a common player in the social

and economic system. The Marche Region has fixed some targets internal and external aspects of its administrative structure.

In particular it has focused since 1998 on the following key action lines:

*a.) Actions with internal importance*

- Adoption of an action plan
- Arrangement of an adequate management structure
- Definition of a vocational training plan
- Conversion of documents and rounding off

*b.) Actions with external importance*

- Management of some financial and accountancy activities using the euro
- Diffusion of regional budget drawn up in euro to the entire population
- Development of an internet site: "*Regione Marche and the euro*"
- Launching information campaigns covering particular subjects such as teenagers, the elderly, handicapped people etc.
- Issue of BOR (Eurobonds) on the international financial market
- Attainment of an international rating useful for the quotation on financial markets
- Application of new computer technologies for placing regional bonds

*Ad a.) Actions with internal importance*

Action plan

With Decision n.2864 22/11/1998, the Marche Region has delineated its guidelines for “Introducing the euro in the Marche Region”.

The Marche Region has generally divided its euro programme into internal and external measures and instruments. The euro officer is in charge of coordinating all the measures taken by the different sectors and local bodies such as IT, statistics, press, and public relations services and the training school for regional staff.

Each key area in the Marche Region has nominated a euro officer who has to identify the most important requirements of his area for implementing the project. He suggests modifications in the organization assessment, in computer programs, and so on.

Another important action implies documentary conversion in order to facilitate the introduction of the new currency both inside and outside the administration, a dual indication of the amounts (in Italian lira and in euro) has been provided for in all regional legislation on financial matters: staff salaries are expressed in both euro and lira, as well as the other regional tariffs, and the first regional annual budget balance in euro (a special edition) was published in 1999.

In order to facilitate transactions in euro, the regional offices have to adjust the forms relating to their activity. Each office firstly assesses all the available

forms and, secondly, it indicates the amounts in the currency chosen for payments during the transition period.

Externally, since the "Euro Info" points have proven not to be as an effective and accessible to the public as foreseen, the focus of the Marche public administration's euro information has gradually concentrated on youth. They have been selected as guarantors of euro consciousness-raising within Italian families and, hence, can produce the desired multiplier effect on this issue. Beside the establishment of a web-site for younger users, an initiative called "*A scuola di Euro*" a (peripatetic) school on the euro was successfully established in June 1999. Under this initiative, exhibitions, visual explanations of the EMU and its impact, lectures, etc, are held and organised by one local school and the other schools of the region are invited to learn together about the new currency. This tour throughout the Region's Marche cities and local authorities has been extended and intensified in 2000.

#### Arrangement of an adequate management structure

As already mentioned, by decision n.2864 22/11/1998 the Marche Region delineated its guidelines for "Introducing the euro in the Marche Region". The organisation assessment required:

- A "referee" for the euro
- A euro officer
- A team for euro

The *referee* for the euro: is in charge of realising the project and coordinating all actions necessary for introducing the euro in the Marche Region.

The euro officer: Each key-area in the Marche Region has nominated a euro officer to identify the most important requirements of his area in realizing the project. He proposes modifications in the organization assessment, in computer programmes, and so on.

The *team* for euro: is composed of the referee for euro, who guides the team, and all the euro officers. Sometimes this team is backed up by:

- The director of the regional school, for all actions related to learning matters
- The public relations officer, for all actions related to communication and information matters
- The information technologies officer, for all actions related to computer systems, digital electronics and telecommunications
- The statistical studies officer, for all information aspects
- The external business officer, for all actions related to other public areas

### Vocational training

In order to introduce a euro culture, the Marche Region has implemented a learning programme for its employees.

### Documentary conversion and rounding up and down

The choice of allowing payments in euro whenever the creditor or the debtor of the Marche Region requires it, during the transition period (01/01/1999), made it necessary to modify the procedures which regulate revenue and expenditure. Therefore, the Marche Region has provided a specific box on the forms in which the chosen currency must be indicated.



The choice of executing an operation in euro is irrevocable. Once it is executed for the first time, it is also valid for all the duration of the transition period. The choice of operating in euro is linked to the subscription of a requirement-obligation. Consequently, the beneficiary who makes this requirement must be clearly identified in order to ensure the correctness of all future payments in euro.

In order to facilitate the introduction of the new currency both inside and outside the administration, a dual indication of the amounts (in Italian lira and in euro) has been provided for in all regional legislation on financial matters.

*Ad b.) Actions with external importance*

#### Diffusion of regional budget drawn up in euro among all the population

The regional budget was distributed to all newsagents of the region from 4 August 1999 onwards. It contains numbers and illustrations in order to offer a simpler and immediate view of all the expenditure of the Marche Region.

Since Wednesday 4 August of the same year, an extract of the budget has been distributed completely free of charge by the newsagents of the region in conjunction with any other daily or periodical publication bought.

The booklet is published by the Budget Service of the Marche Region. It is made up of thirty-two pages with essential numbers (in Italian lira and euro) and schematic images which make clearer the destination of the money of the region. It can be considered a proper handbook with directions. Its aim is to

guide the citizens through the labyrinth of the regional budget. Budget publications were also denominated in euro.

### Formative projects in schools

The Marche Region is particularly interested in schools at which the future citizens are trained in European issues. Among the most significant initiatives, we remember the “Euro Tour”, a regional information project which amplified the effects of a national campaign promoted by the Ministry of the Treasury, Budget and Economic Planning, in collaboration with the Ministry of Education.

As a matter of fact, the national campaign became a competition addressed to schools of all levels on the following theme: “Young people, European integration and the Euro”. The examinations differed according to the level of the school and involved activities ranging from the realisation of graph presentations (such as posters) to the planning of an advertising campaign and multimedia printouts.

The Marche Region also received many creative and interesting papers and therefore decided to reward the efforts of all those who showed interest in the competition by using the works to set up a travelling exhibition dedicated to the new currency. The aim was to allow young people to become closer to the new currency and create a new opportunity to improve their knowledge on the subject. For this reason the exhibition provided information sessions about the euro and distributed informative literature. The exhibition was held in various towns of the Region including Urbino, Ascoli Piceno, Macerata, Jesi, Offida, Treia, Castelleone di Suasa, Cagli.

### Development of an Internet site: “*Regione Marche and the Euro*”

A new internet site has been implemented with following main themes:

- General principles, convergence requirements, conversion rates and a calendar for the adoption of the new currency
- All interventions promoted by the Marche Region for the introduction of the euro
- Guide to the conversion and to the rounding off
- Graphic and technical description of all bank notes and coins that all the European countries will have to use
- A report for each country which decided to take part in the euro
- Eurologo enterprises
- A press review of all initiatives promoted by the Marche Region in order to be familiar and therefore better use the euro

### The “EASY EURO”

Regional information is also addressed to people who for particular economic and cultural reasons, handicaps or age, may have difficulty with the introduction of the euro, or having to handle a new currency and new values.

The Marche Region, together with the “Active Citizens” project, is carrying out a new programme which contains seminars for the vocational training of 200 euro-informers, people who have close contacts with underprivileged sections of society. Four seminars are planned, one for each major city of a province. In turn, the euro-informers will have to transmit the information acquired during the seminars to the end-users of the project. In this context, about ten euro festivals have been organised in order to allow citizens to experience the

European common currency with games, gadgets and so on. The first scheduled festivals were taking place in the municipality of Jesi and Fabriano.

The Marche Region announces the new emission of its BOR of the region

The Marche Region has announced that it is getting ready to issue bonds called BOR after having received ratings from Moody's (advisor Warburg Dillon Read) and Standard & Poor's (advisor Crediop) in expectation of future access to the international capital markets and the road-show which is touring in the main European centres. This will allow the financing of important structural plans in the region and will also be a unique occasion for further relaunching of the Marche Region; it will also create an opportunity for the businessmen of the region. This renewed availability, has allowed the Marche Region to start off with a Eurobond maturing in 10 years – an unusual period. The Commercial Bank has upgraded its recent secondary loan bringing the amount to ITL 1,000 billion

The Marche Region has been preparing this initiative for quite some time: it provided for a European roadshow that included a presentation in Brussels of the Regions of Central Italy. It obtained top scores and waited for the best moment to introduce itself to foreign institutional investors. Warburg Dillon Read, leader of the investment, immediately seized the opportunity offered by the improved market conditions. In this way the Marche Region was able to issue a ten year bond, an issue which was considered almost impossible just a few years ago.

## *SITGES (Spain)*<sup>4</sup>

- Organisational structure in the municipality with its own Councillor and Division for Relations with Europe as a fundamental starting pillar for the euro project;
- The large number of innovative measures and tailored activities (educational games, market visits etc.) addressed to the various target groups in the city, initiated and organised by a small euro team;
- Participation, as one of the very few local authorities in Spain, in an official simulation exercise (three days in 2000);
- Award granted for the euro project;
- Good public-private partnerships and collaboration with the higher administrative level (Catalan government) during the realisation of the euro actions.

### **I. Introduction**

Sitges has good reason to be considered an exceptional place, in the tourism sense. The unique and exclusive landscape, sheltered by the Garraf massif, a full cultural and festive calendar and the wonderful light have made this welcoming and dynamic town a beautiful jewel of international renown and prestige. Its own particular micro-climate (over 300 days of sunshine per year) and excellent location (15 minutes from the airport and twenty minutes from Barcelona) make Sitges one of the most pleasant corners of the Mediterranean, where one can

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<sup>4</sup> This information has been provided by Mr Joaquim Millan i Alegret, City Councillor for Relations with Europe and the Information Society.

find not only peace and quiet, but also the most intense kind of experiences, owing to its cosmopolitan nature.

Sitges offers unlimited opportunities for the visitor to quench his cultural thirst. There are three museums in the town: Cau Ferrat, the house and workshop of the artist and writer Santiago Rusiñol, one of the most distinguished representatives of Catalan modernism; the Museo Romàntico Casa Llopis, a building in the neo-classical style; and the Museo Maricel, which houses the municipal art collection.

Sitges is also home to several artistic walks, including the "Americanos" architectural route, the modernist and art nouveau areas, Victorian mansions, mediaeval ruins and the parish church, which dominates the town's image. The town's status as a cultural capital is apparent today from its full cultural life and the staging of popular events such as the film, theatre, music and jazz festivals.

#### **IV. Objective of the "Euro Sitges Awareness Campaign"**

The campaign was run jointly by the Division for Relations with Europe and the economic development area of Sitges municipal council, in cooperation with numerous other bodies and organisations. It was designed to run for two years prior to the introduction of the euro (2000-2001).

## **V. Summary of activities carried out between 2000 and 2001**

### *a.) Consumers and users (general)*

#### Activities targeting the general population:

- Press releases to local and regional media.
- Slots on Radio Maricel and TV Maricel.
- Theoretical and practical workshops on the euro
- Bodies involved: Europa Som Tots association and Patronat Catalán Pro Europa.

#### Activities targeting specific sections of the population:

- Activities in primary and secondary educational establishments: consumer workshop entitled, "Lunch at the market with euros", spread over several days in the second half of 2000. 255 pupils from years 4 to 6, their teachers and stallholders from the municipal market took part in this activity. It was organised jointly by an expert from the Department for Consumer Affairs and the Europa Som Tots association.
- Activities aimed at young people were held during the "Parque de Navidad" (Christmas fair for children).
- Adult education activities: a practical workshop on the euro for group leaders, held on 16 March 2000 and attended by 35 pupils and the school's teachers.
- Production and distribution of an educational game "The euro in Sitges" (copied by other administrations).

- Activities carried out at centres for the elderly and the Women's Centre.
- Practical workshops on the euro aimed at groups dependent on benefits: Nivel 10, Escuela Taller, Casal Ancianos, youth group.

*b.) Staff employed in the commercial, service and hotel sectors*

Activities aimed at all shopkeepers and business people:

- Press releases to local and regional media.
- Slots on Radio Maricel and TV Maricel.
- Conference - debate held on 28 March 2000, attended by almost 50 people.  
Bodies involved: Patronato Catalán Pro Europa and Sitges shopkeepers and business association (ACES). Taught by an expert from Patronato Catalán Pro Europa.
- Training course for shopkeepers on window displays and labelling in euros held in March and April 2000 and attended by 15 shopkeepers.
- Distribution of euro-calculators as practical aid to all shopkeepers in Sitges.  
The 500 euro converters were distributed just before Holy Week.

Activities targeting the hotel and catering sectors:

- Conference-debate on the theme "Practical aspects of the transition to the euro in the hotel industry" held on 30 May and attended by approximately 25 business people from the sector.  
Bodies involved: Sitges Hotel Guild and Barcelona Chamber of Commerce - Garraf delegation.



- Distribution of 2,500 information leaflets to consumers, entitled "The euro and tourists".

Bodies involved: SETE (National Association for Transition to the euro).

*c.) General population*

- A simulation exercise for the transition to the euro was held on 29 and 30 June and on 1 and 2 July 2000, with the support of the Finance Ministry and SETE, allowing all Sitges residents and all traders and customers to experience several days of real simulation of the transition to the euro.

Bodies involved: Hoteliers association; Sitges shopkeepers and businesspeople's association, municipal market stallholders' association, Sitges municipal council (Division for Relations with Europe and the Economic Development Area).

- 10 April 2001: the creation of Sitges local euro observatory, a consultative body intended to follow, monitor and participate in all stages of the transition to and launch of the euro.

## **VI. Conclusions**

Extremely positive in general, because this is a clear practical example of how local government can and must participate in the European integration process. The award of the first consumer prize by the Catalan Government (Catalan Consumer Institute) is proof of this.

Other important points include:

- Analysis using innovative measures such as Internet, educational games, practical workshops, simulation etc.
- Cooperation between the public and private sectors and between the regional authorities and Sitges city council.

***B. A FURTHER OVERVIEW OF PRACTICE***



## ***1.) "REGIONAL CASES"***

### ***BERLIN (Germany)<sup>5</sup>***

#### **I. Organisational background information - shared responsibilities**

Due to its federal structure, responsibilities for the change-over to the euro in Germany are shared between several players: The Federal State, the 16 Länder and the cities and municipalities. Berlin is both a federal state and a city. It therefore fulfils both federal state functions and municipal functions. In addition, borough ("Bezirks") reforms went into effect on 1 January 2001. Berlin now has 12 boroughs instead of 23.

An EMU working group - coordinated by the Senate Department of Finance - was appointed by the Berlin government in August 1997. It includes the key players, i.e. the different departments as well as the 12 boroughs, the Chamber of Industry and Commerce and the Chamber of Handicrafts. However, it has no coercive powers. The EMU working group and public utilities have coordinated their activities from the outset.

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<sup>5</sup> This information has been provided by Mr Heiko Quast, Federal Ministry of Finance, and Mr Volker Löwe, Regierender Bürgermeister von Berlin, Senatskanzlei, European Affairs Unit.

The German Central Bank (Bundesbank)- still benefiting from the experience of the introduction of the Deutsche Mark in the former GDR on 1 July 1990 - is responsible for managing the cash change-over.

## **II. The "smoothing" of legislation in Berlin: business- and consumer-friendly**

The Berlin government decided to amend outdated legislation in order to indicate multiple hundred DM amounts without decimal points, so as to ensure maximum transparency, legal certainty and consumer confidence. The dilemma between budgetary constraints and public opinion was solved by the Berlin government's decision to "smooth" amounts in favour of citizens and companies.

In addition to the twelve laws for introducing the euro at the federal level, a Berlin euro law as well as a euro regulation were passed on time, i.e. 66 different laws and 89 single regulations were amended. The task of coordinating legislation lay in the hands of the Senate Departments of Finance and Justice. Furthermore, the departments themselves had to adjust more than 200 internal guidelines.

## **III. The administrative and technical challenge**

The general principle is that public administration in Germany does not switch over to the euro until 1 January 2002 ("big bang"). More than 70 major computer programs are being adjusted within the Berlin administration and its 12 boroughs. The implementation of a new decentralized IT system for

managing the budget and its procedures will enable a relatively smooth switch-over to the euro. 15,000 users are being trained for day-to-day work at 10,000 workstations.

Wherever technically possible, dual pricing has been introduced since 1999 for all services throughout the administration and public utilities wherever it was technically possible. The boroughs had to make sure that more than 1,900 parking meters operated by private contractors will be adjusted within the first days of January 2002.

#### **IV. Cash changeover - final countdown ahead**

Germany still is the most cash-oriented country in “Euroland“. In this context, hosting Germany's most traditional mint since 1280, the Berlin Mint has produced 3.4 billion euro coins - roughly every fifth euro coin in Germany. More than 200 public cash offices are demanding fresh coins and bills amounting to 16 million euro on 1 January 2002.

After the security features of the new bills had been published on 1 September 2001 more than 250 employees are now being trained as trainers for all levels of the Berlin administration in close cooperation with the regional subsidiary of the Deutsche Bundesbank. The Berlin Transport company is preparing to switch over more than 1,300 ticket vending machines and to provide cash for them, as well as for more than 5,000 bus drivers on €-day.

## **V. Business preparations and consumer confidence**

Just a few months before the introduction of coins and bills, many Berlin SMEs are still lagging behind. Big business does not act as a pace-maker, as only a few big companies have their headquarters in Berlin. Therefore many small companies in Berlin will face a "last minute switch-over".

Historical experience of two disastrous inflationary periods in this century has resulted in a still highly sceptical public opinion. Particularly in Eastern Germany, where people face their third currency within only ten years, scepticism is widespread. Although the rate of inflation is currently slightly below 2%, many German citizens fear the euro may act as an inflationary instrument and decrease their purchasing power. Therefore the need for sound information campaigns is evident.

## **VI. Communication strategies**

Berlin is only one of several players. Others are, for instance, the Euro Action Committee including the Federal Government, Deutsche Bundesbank and professional associations.

Due to budgetary constraints, the annual budget has never exceeded € **12,000** for public relations in Berlin since 1998. Therefore, fundraising was necessary before starting any new project.



*a.) Internal communication*

General information on the euro is appended to all employees' pay slips in December 1998 and December 2001. Day-to-day information via 25,000 intranet computer desks, 70,000 copies per month of "Direkt", an administrative staff newsletter, and, of course, the EMU working group representatives in every department have complemented the internal communication actions.

*b.) External communication*

250,000 information leaflets for Berlin citizens have been distributed before 1 January 1999, a euro hotline is provided every Wednesday. One million German-language information leaflets for Berlin residents were sent on 1 October 2001, along with 100,000 information leaflets (in total) in Turkish, Serbo-Croat, Polish, Russian, Arabic and Vietnamese for the appropriate ethnic groupings. An exhibition for children starting on 3 October 2001 and offering an adventure trip through the world of money at a big Berlin leisure and youth centre has been launched.

As part of the framework "Euro@Berlin" aimed at promoting the information society, the Berlin Government initiated a *Public-Private Partnership* to establish an internet site called "EuroInfo@Berlin".

Key project partners at a glance:

- *Berlin Government ("Senat von Berlin")*, i. e. the Senate Chancellery ("Senatskanzlei") and the Senate Department of Finance ("Senatsverwaltung für Finanzen");
- *BAO BERLIN International (EuRoInfoCentre)*:  
5,000 enquiries, 20 events on current European issues (mailing for more than 30,000 SMEs in 1999), publishing in "Berliner Wirtschaft" with about 50,000 copies per month, 230,000 "hits" per month on [www.ihk.berlin.de](http://www.ihk.berlin.de) (internet page of the Berlin Chamber of Industry and Commerce) etc.;
- Deutsche Bank: Investment banking: 20,000 customers; Retail banking: 1.6 million customers in Eastern Germany in 1999;
- [www.berlin.de](http://www.berlin.de) (official Berlin online service): 1.7 million page "hits" per month on average;
- *Berlin Central and Public Library*: 1.7 million visitors in 1999;
- *Stiftung Warentest* (largest German consumer protection organisation): 330,000 sold copies of "*finanztest*" and 685,000 sold copies of "TEST" nationwide in 1999;
- *Verbraucherzentrale Berlin* (regional consumer protection service point): 110,000 visitors, 125,000 phone enquiries, 135,000 written inquiries in 1999;
- *@baeumer Unternehmensentwicklung*: Marketing consultant;
- *Heinrich-Hertz-Institut für Nachrichtentechnik*: Technology and usability engineering.

The main objectives were to provide target-group oriented and regionalized information for Berlin companies, residents and Berlin Government employees, via more than 200 questions and answers, checklists and guidelines etc. State-

of-the-art techniques of usability engineering provided by the Heinrich-Hertz-Institut have been deployed to assure speed, efficiency and ease of use. This is part of a major strategy to improve the usability of the official Berlin online service [www.berlin.de](http://www.berlin.de).

In addition, easy access via internet and e-Mail is provided: 35% of Berlin households and 89% of Berlin companies are already connected to the internet. Every citizen has access via 150 public internet desks located at Berlin public libraries all over the city.

The launch and acceptance rates were surprisingly very high. EuroInfo@Berlin was launched on 20 January 2001 by an EU Commissioner, the Berlin Senator for Finance, and the Deputy Chairman of the Berlin Chamber of Industry and Commerce. Advertising (folder, stickers, balloons, T-shirts) was sponsored by Motorola. The most popular German daily business paper "HANDELSBLATT" described the internet page as "...among the best, you can find about the euro on the web." (Handelsblatt, 3 March 2001). There have been 170,000 hits on the internet page so far.

The BerlinEuroMan is [EuroInfo@Berlin's](http://EuroInfo@Berlin) "mascot". Consequently, a contest was started at 1,100 Berlin schools to find a nickname and a story about the BerlinEuroMan. The winners were presented at a big euro party organised by Dresdner Bank at the Brandenburg Gate on 30 June 2001. The prizes included trips to Dresden and Frankfurt, as well as a balloon ride over Berlin financed by several sponsors.

## VII. Conclusions

- Campaigning for the euro should not stop on 31 December 2001, as consumer confidence - at least in Germany - is still very fragile.
- The change-over preparation period from 1 January 1999 to 31 December 2001 is considered too long. Shorter would have been better, because people want to touch banknotes and coins as quick as possible.
- Federalism does not always simplify or even speed up major administrative changes. However, it works well to reduce possible mistakes by a system of check and balance continuously reaffirming close cooperation between Federal Government and the 16 Länder.
- Berlin is looking forward to providing advice for its twin-towns Warsaw, Prague and Budapest when they start preparing to join the "Euroland" - sooner or later.

### Résumé

*The very project-oriented approach of the introduction of the euro in the Berlin Land/city administration has at an early stage provided the coordinating team with good cooperation and confidence with their clients, i.e. the consumers/citizens and businesses. This was necessary because of their restricted and limited budgetary facilities, available for communication and information campaigns. Hence, they received support for project and sponsorship partnerships from a number of private and/or other semi public and public organisations for developing their communication strategies. The result of this cooperation was a number of highly innovative and popular information activities (e.g. [EuroInfo@Berlin](mailto:EuroInfo@Berlin), BerlinEuroMan).*

## *CANTABRIA (Spain)<sup>6</sup>*

### **I. Summary of euro actions**

Within the region and the regional government of Cantabria, the Regional Ministry of Economic Affairs and its Department for the Economy and European Affairs were largely responsible for coordination during the implementation period of the euro.

#### *a.) Establishment of the Cantabria euro observatory*

In response to the Commission Recommendation of 23 April 1998 on dialogue, monitoring and information to facilitate the transition to the euro, the Government of Cantabria enacted a decree on 3 April 2000 setting up the Cantabria Euro Observatory. Its basic task is to ensure that the single currency is introduced smoothly throughout the Autonomous Community of Cantabria.

In order to make it as representative as possible, and to involve both public and private sectors of Cantabrian society in this task, the observatory comprises representatives of the autonomous administration, chambers of commerce, employers' bodies, consumers' associations and the federation of local authorities.

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<sup>6</sup> This information has been provided by the Government of Cantabria.

Its functions include coordinating initiatives, proposing measures to the regional government in order to prevent inappropriate actions concerning the introduction of the euro, supporting and encouraging bilateral and inter-sector agreements between the players involved in the switch to the euro, and issuing euro code logos in accordance with the Code of Practice.

The observatory will operate until 30 June 2002, i.e. far beyond e-day. One of its main achievements will have been to distribute *euro code logos* in Cantabria.

#### Euro code logos

6,000 Euro code logos are being distributed to traders and businesses who voluntarily pledge to meet the undertakings set out in the code of practice (certainty of conversion, compliance with the rounding up and down rules, commitment to consumer information, commitment to price stability and commitment to staff training).

A memorandum of understanding was signed on 27 February 2001 by the Spanish Ministry for Economic Affairs and the regional government concerning the distribution and dissemination of the logos and the code of practice.

#### *b.) Agreement with the Bank of Spain*

The Government of Cantabria has concluded an official agreement with the Bank of Spain in order to help familiarise the general public, and particularly its most sensitive sectors, with the new coins and notes.

Under the agreement, information and promotional material on the euro has been distributed to all the schools in the region.

*c.) Other publicity activities*

Through its various ministries and administrative departments, the Government of Cantabria has been implementing a range of single currency-related initiatives, demonstrating its determination to ensure the best possible cover of all sectors of Cantabrian society, easing the changeover to the euro for ordinary people.

The eurobus

The bus, fitted out as a travelling classroom, is part of the Ministry for Economic Affairs' information campaign on the euro. In the course of three journeys (May/July 1999, April 2000 and August 2001), the Eurobus has visited a total of 40 locations in Cantabria, providing information on the key points of the single European currency.

The initiative has a dual purpose: to offer citizens information on the euro in a personal, straightforward way; and to convey this information as directly as possible to small communities and in general to the rural population.

In pursuing these objectives, special care has been devoted to particular groups (schoolchildren, housewives, pensioners, small traders) for whom the personal approach and educational information offered by the eurobus will be most helpful.

### "Euro on wheels"

In a supplementary training and information campaign, another Government of Cantabria bus travelled throughout the region throughout 2000, conducting a campaign targeted specifically at businesses and schools.

Euro-trainers visited more than 3,800 businesses and 117 local areas in the region; presentations were made to 92 secondary schools, covering a school population of 23,317. Similarly, 14 training courses were provided for pensioners' associations and adult education centres. "Euro on wheels" has continued from September 2001.

### Euro 9 May 2001

This year, the Government of Cantabria's Department for European Affairs marked 9 May with a range of events and exhibitions. In one of these, "Europe in the street", information stands on the new currency were set up in five of the region's municipalities.

### Permanent euro information point

A large amount of information is available to the public at the Europe Info-Point. All questions relating to the euro can be answered.

The Info-Point has also supported training programmes, round-tables and seminars for schools, neighbourhood associations, women's groups and pensioners' centres.



### Media presence, press and radio

All euro-related activities have been covered by the Cantabrian media. In addition, information on the euro has been broadcast by radio throughout 2001.

### Actions in shopping areas

It is planned to launch euro familiarisation activities in shopping centres over the last few months before e-day.

### *d.) Internal measures*

A number of specialist courses for officials on Economic and Monetary Union issues were held in 2000 and 2001, at the regional administration's study centre.

A public opinion survey was carried out in 27 municipalities in August 2001 with the aim of identifying the level of awareness and acceptance of the euro among the Cantabrian general public. Euro promotional material has been prepared (notes and coins, converters, leaflets).

The Government of Cantabria's Department for European Affairs has provided assistance through subsidies for non-profit associations and organisations located in the region to carry out information and publicity projects on European issues, giving special support for activities providing information and training for the introduction of the euro. More than half the subsidised activities concern the euro.

Turning to the commercial sector, the Department for Economic Affairs has recently granted a series of subsidies, totalling 145,000,000 pesetas

(approximately € 870,000) for small traders to acquire computer equipment to help them to adjust to the euro.

An official decree was published on 11 September 2001 stipulating that Government of Cantabria bonds are to be paid in euros with effect from 16 October 2001.

### Résumé

*The Region of Cantabria has made extensive use of several communication channels within its territorial structure, permitting the coordinating organism of the euro in the public administration, the Department for Economic and European Affairs, to reach its various target groups. Special mention shall be given to both the dates chosen (i.e. for example the operation of the observatory until June 2002) for finishing the preparatory measures, taking into account the potential difficulties adapting to the new currency (e.g. conversion calculations and penetration of info to marginal groupings) after the dual currency period. Furthermore, the concentration of subsidies, especially during the years 2000 and 2001 for euro actions obviously allowed them again to cover all sectors of the population, and to enhance the repetitive feature of the information.*

## *CARINTHIA (Austria)*<sup>7</sup>

### **I. Institutional and legal background information on the euro in Austria**

As early as 1996, a coordinating body, chaired by the Federal Finance Ministry and the Austrian National Bank, was set up to pave the way for the introduction of the single currency. It comprised representatives of the federal ministries, the provinces (*Länder*), the local authorities and the social partners.

Working parties were established at the same time to consider legal aspects, administration, economic policy, information, and banks and financial markets. Their remit was - and remains - to prepare the detailed adjustments needed at national level and to work out solutions to problems.

The euro regulations necessitate a range of adjustments to national legislation, which the Federation (*Bund*) has undertaken via a raft of so-called "collective" laws. The most important of these are:

- the Federal law laying down flanking measures under civil law for the introduction of the euro (*1. Euro-Justiz-Begleitgesetz - 1. Euro-JuBeG*), Federal Law Gazette BGBl. I No. 125/1998;

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<sup>7</sup> This information has been provided by The Carinthian *Land* Administration.

- the law on flanking financial measures in connection with the euro (*Euro-Finanzbegleitgesetz*), Federal Law Gazette BGBl. I No. 126/1998, including *inter alia*:
  - the Federal law on the conversion of federal bonds into euros (*Bundesgesetz zur Umstellung von Bundesanleihen auf Euro*);
  - the Federal law on the conversion of loans from private issuing bodies into euros (*Bundesgesetz zur Umstellung von Anleihen privater Emittenten auf Euro*);
  - the Federal law laying down flanking measures under tax law for the introduction of the euro;
- the Federal law on arrangements for the dual display of prices and other indications of monetary amounts (*Euro-Währungsangabengesetz - EWAG*), Federal Law Gazette BGBl I No. 110/1999 of 22 July 1999;
- the Federal law on arrangements for the introduction of the euro (*Eurogesetz*), Federal Law Gazette BGBl I No. 72/2000.

Arrangements for other national change-over requirements in public administration and private households and businesses were included in the federal action plan, published in November 1997 and drawn up as part of the federal government's "euro initiative" based at the Federal Finance Ministry.

## **II. *Länder* action: an overview**

At its meeting on 19 June 1997, the *Länder* financial advisers' conference (*Landesfinanzreferentenkonferenz*) set up a working party to draw up a *Länder* action plan. The initial members of the working party - the *Länder* of Upper Austria, Salzburg and Vienna - were joined by Burgenland, Carinthia, Lower

Austria, Styria and Vorarlberg. Representatives of the Federal Finance Ministry, the Federal Economics Ministry, the Association of Austrian Local Authorities and the Association of Austrian Towns and Cities also took part in the working party's deliberations.

The working party submitted a provisional *Länder* action plan to the meeting of the financial advisers' conference on 26 June 1998 and was asked, where required, to press ahead with its work as quickly as possible and to report to the conference's next meeting. The working party met on 1 October 1998 and made a number of amendments to the provisional *Länder* action plan. This version was submitted for decision to the meeting of the *Länder* financial advisers' conference on 25 November 1998.

The measures set out in the *Länder* action plan have been taken up and, where necessary, underpin further considerations and clarifications within the purview of the Carinthian *Land* administration.

### **III. Specific action undertaken by the Carinthian *Land* administration**

Since September 1997, Carinthia's EU coordination office, drawing on earlier information for Carinthian public officials, has worked systematically to identify - both in writing and orally - the *Land* government's particular fields of activity. A *Land* action plan was drawn up for the euro changeover by the *Land* administration (as the Federation did for its area of responsibility), and a second, revised version was published in January 1999.

Basic issues and difficulties were routinely discussed in a group set up within Department 4 (Finance) and in consultation with a *Länder* working party, and were also reflected in the overall recommendations of the Carinthian *Land* action plan.

The action plan not only lists what needs to be done - and the changeover requirements - in the *Land's* public administration during the transition years, but highlights above all the linkages, interfaces and interdependencies involved in the measures that are to be taken. This includes relations (i) with the Federation, (ii) between the various *Land* agencies, and (iii) above all with the towns and local authorities.

It should be made clear that each relevant department or agency has responsibility for transposing the individual measures. This means that each department or agency not only has to prepare the requisite changes within its own sphere of responsibility, but also has to coordinate schedules and organisational aspects with other agencies as well. For the coordination of schedules in particular, other agencies, not least the internal *Land* data processing division, rely on accurate technical data so that the requisite adjustments can be made on schedule (i.e. by the end of 2001).

In order to get the public used to the euro at an early stage, the Carinthian *Land* government sought to promote the "euro option" as widely as possible from 1 January 1999, and, through various, largely individual measures, voluntarily undertook to display in euros the all-important "final amount" in official notifications, grants, forms, payslips, etc.

Under the Federal law on arrangements for the dual display of prices and other indications of monetary amounts, which entered into force on 1 November 1999, all agencies acting in matters relating to the federal administration are obliged to display dual prices. The result is that *Land* authorities, acting on behalf of the federal administration (so-called "indirect federal administration"), are also obliged to indicate monetary amounts in both euros and Austrian schillings (ATS).

#### **IV. Rounding and smoothing**

In the interests of legal clarity, standardised ATS amounts have to be replaced by euro amounts in some 110 *Land* laws, 50 regulations and 35 orders and directives. In principle, this is a simple technical adjustment based on the exchange rate set on 1 January 1999, but problems have arisen with rounding and smoothing.

##### *a.) Rounding*

So that payments may be made using available notes and coins, amounts are multiplied or divided by the six-figure exchange rate only (€ 1 = ATS 13.7603) and rounded up or down using the usual commercial bookkeeping method to at least two decimal places - i.e. to the nearest full cent. (Purely scriptural amounts are a possible exception)<sup>8</sup>.

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<sup>8</sup> Article 4(4) and Article 5 of Council Regulation (EC) No 1103/97 of 17 June 1997

## *b.) Smoothing*

In addition, it may in many cases be appropriate to "smooth" figures to full euro amounts in order to make them clearer, easier to remember and more user-friendly. (An example is the threshold for fines, which is currently set at ATS 25,000 and which will be pitched at € 2,000 from 2002.) Smoothing of this kind requires euro amounts to be reset.

The following recommendations were made in agreement with the Federation and following discussions with the departments and agencies concerned:

- For legislation falling within its remit, each department or agency has to decide whether and how to smooth figures. By way of exception, the *Land* government has decided on uniform thresholds for fines.
- Smoothing must have as neutral an impact on revenue as possible. For substantively connected legislation, that means revising a number of amounts so that the end result has no overall impact on revenue.
- Amounts that affect outside interests and are mandatory (e.g. fees, levies, rates, charges, contributions, etc.), should, in the main, be smoothed to the public's advantage.
- Amounts could generally be smoothed upwards in cases where the reasons for this can be readily explained to the public (e.g. fines, maximum amounts).
- No smoothing at all is recommended in the case of very small amounts (especially below ATS 10) which are predominantly scriptural and involve the multiplication of various different units.



- Where changes or adjustments have to be made for other reasons, it is also possible to bring forward the alignment of the amounts concerned to "fit" the euro. In other words, changes are made in the transitional period with effect from 1 January 2002.

The difference between arrangements for rounding and smoothing is that the former are contained directly in legislation and apply to monetary amounts calculated mathematically. Smoothing, on the other hand, involves replacing ATS-denominated amounts by amounts expressed in euros as part of legislative adjustments in 2001.

*c.) Difficulties*

Problems encountered when adding amounts together

Subject to other legal regulations, it was proposed that, where several ATS-denominated amounts are added together and where both the individual ATS amounts and the total of the ATS amounts are expressed in euros, the total in euros is to be calculated not by adding together the individual euro amounts, but by converting - and rounding - the total of the ATS amounts. This rule is also to apply by analogy to other methods of calculation.

*Note:* The fact that each individual conversion operation involves differences in rounding means that the total of several converted amounts is rarely the same as the result obtained by converting the total amount.

**Example A** (exchange rate: € 1 = ATS 13.7603)

*Adding the converted amounts:  
amount:*

	<i>ATS</i>	<i>€</i>
<i>Item 1</i>	<i>200. - -</i>	<i>14.53</i>
<i>Item 2</i>	<i>600. - -</i>	<i>43.60</i>
<i>Item 3</i>	<i>500. - -</i>	<i>36.33</i>
<i>Item 4</i>	<i>100. - -</i>	<i>7.26</i>
<i>Item 5</i>	<i>400. - -</i>	<i>29.06</i>
<i>Total</i>	<i>1,800. - -</i>	<i>130.78</i>

*Converting the total ATS*

	<i>ATS</i>	<i>€</i>
<i>Item 1</i>	<i>200. - -</i>	<i>14.53</i>
<i>Item 2</i>	<i>600. - -</i>	<i>43.60</i>
<i>Item 3</i>	<i>500. - -</i>	<i>36.33</i>
<i>Item 4</i>	<i>100. - -</i>	<i>7.26</i>
<i>Item 5</i>	<i>400. - -</i>	<i>29.06</i>
<i>Total</i>	<i>1,800. - -</i>	<i>130.81</i>

*Adding the individual amounts converted into euros gives a total of € 130.78.*

*Converting the sum of the individual ATS-denominated items into euros gives a total of € 130.81 (i.e.  $ATS\ 1,800 \div 13.7603$ ).*

*There is thus a difference of 3 cents between this total and the total of the converted € denominated amounts.*

For each separate conversion, the difference in rounding may, at most, be half of the smallest unit of the currency into which the amounts are being converted. Hence, if an ATS amount is converted into euros and rounded, the difference in rounding may, at most, be around 7 Groschen (0.5 cents).

Potentially, therefore, the rounding error increases in line with the number of amounts to be converted. In practice, the overall difference in rounding will in many cases be limited, since the discrepancies involved will vary randomly

depending on whether individual amounts are rounded up or down, and will thus cancel themselves out to some extent.

### Reconversion problems

The following arrangements apply, subject to other legal regulations and court judgements and/or findings. In cases of dual conversion, a payment to the *Land* of Carinthia is deemed to settle a debt if the conversion and rounding rules laid down in Council Regulation (EC) No. 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro are complied with.

*Note:* Where an ATS amount is converted into euros, rounding to the nearest cent may cause the resultant figure to differ from the initial amount by up to half a cent per conversion. This difference in rounding means that when converting the amount back into the original denomination, the result generally differs from the original amount.

### **Example B** (exchange rate: € 1 = ATS 13.7603)

Converting ATS 300 into euros and back into schillings:

*Conversion:*

ATS 300 ÷ 13.7603 = € 21.80185                      rounded to € 21.80

*Reconversion:*

€ 21.80 x 13.7603 = ATS 299.97454                      rounded to ATS 299.97

*Difference:*

ATS 0.03 = 3 Groschen



<i>Variant 1: rounding to 4 decimal places:</i>	€ 0.1453
<i>Reconversion:</i>	ATS 1.9994 S (rounded to: ATS 2.00)
<i>Difference:</i>	0 Groschen
<i>Variant 2: larger units e.g. 10 minutes:</i>	€ 2.91 (rounded)
<i>Reconversion:</i>	ATS 40.04 (rounded)
<i>Reconversion to a 30 second-unit:</i>	ATS 2.00 (rounded)
<i>Difference:</i>	0 Groschen

### Résumé

*The early start made by the Austrian Länder and, in this case, the Carinthian administration, with exercises on rounding and smoothing of conversion calculations from ATS into euro (and back) gave the public authorities enough time to adjust relevant legislation and regulation; it also provided them the opportunity to convert the amounts and figures in favour of its citizens. This policy pursued by a public player may significantly contribute to raising public awareness about the euro in general ("positive aha-effect") and to enhancing its credibility.*



## ***FRIULI-VENEZIA GIULIA (Italy)<sup>9</sup>***

### **I. Short presentation of the Friuli-Venezia Giulia Autonomous Region**

Friuli-Venezia Giulia is the most north-easterly region in Italy.–It covers a surface area of 7,840 square km between the Alps and the Adriatic Sea, and between Austria, Slovenia and the Region of Veneto. It has approximately 1,200,000 inhabitants, living in the four provinces: Trieste, the regional capital (218,000 inhabitants), Udine (95,000), Pordenone (49,000) and Gorizia (37,000). Friuli-Venezia Giulia is naturally cross-border orientated: owing to the current geo-political situation, this region has become an important economic link between North and South and East and West and, at the same time, a logistical trade platform with Central and Eastern European countries.

In its evolution from an agricultural economy (in particular in the Provinces of Udine and Pordenone) to an industrial economy, Friuli-Venezia Giulia has established itself at an international level with large companies in a varied range of sectors (from household appliances to shipbuilding and steel) accompanied by a lively fabric of small and medium-sized enterprises and a rich network of craft firms. Over the years, the Region's scientific and technological expertise has flourished. Today it can count on approximately one hundred pure and

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<sup>9</sup> This case has been written by Mr Eugenio Ambrosi, Project Officer, European Directorate for European Affairs - Service for the Promotion for the European Integration. The information in full is also available under the website [www.regione.fvg.it](http://www.regione.fvg.it).

applied research centres, bodies and institutions, many of which are now internationally recognised for their excellence. Mountains and the sea - and now the "cross-border" application to host the winter Olympic Games (jointly with Slovenia and Carinthia) - has contributed to increasing the visibility and improving the quality of tourism offered in the region (especially from Austria, Germany, the Czech Republic, Slovakia, Hungary and Poland).

From the administrative point of view, Friuli-Venezia Giulia enjoys special autonomy under the constitutional law of 1963.

## **II. The institutional activity on the euro with external relevance**

The introduction of the euro represents an epoch-making event for the entire regional community. The regional administration, even if without specific and direct competence, has considered a priority to conduct an awareness and supporting campaign. In particular the Regional Directorate for European Affairs – Service for the Promotion of the European Integration, with the institutional task of spreading information about the European Union, has wondered what kind of methodology and tools to adopt in order to facilitate understanding of the European integration issues.

The aim is to create a Europe that is close to people, familiar to them and means something to them, the strategy implemented has been addressed to two-tier interventions of information/communication and training. This dual approach features also the Regional Law n. 6 of 1989 that sustains and finances regional initiatives in favour of European integration (promoted directly by the region or carried out by non-profit regional bodies/associations/local authorities).



At the end of last year, during a joint meeting with representatives of Houses of Europe, entities and bodies that traditionally benefit from Regional Law 6/1989, the introduction of euro was chosen as the main theme for 2001.

Because of the low local level of knowledge of and preparation for the euro, the Regional Directorate for European Affairs carried out a combined action (information/communication and training) denominated “**The euro among us**”.

A dialogue was established with (private citizens and sectoral operators) as follows:

- Availability of qualified officials able to reply to questions on the euro by appointment, phone and/or e-mail;
- Setting a dedicated web site “L’euro tra noi” (“The euro among us” - <http://www.regione.fvg.it/frame-euro.htm>) on the institutional web site of the region (<http://www.regione.fvg.it>);
- Promotion and direct realisation of initiatives under the Regional Law 6/89 (conference, workshop, specific projects).

Against this background, the Regional Directorate reinforced the local partnership with interested bodies (Houses of Europe, Information Relays Centre such as IPE/EIC, Associations and Local Authorities); it also forged new relations with European and National institutional bodies such as the European Commission, the Council of Europe, the ECB and the Bank of Italy, the Italian Ministry of Economy and Finance (Euro National Committee).

### **III. Objectives set and obstacles encountered**

Information and communication activity focuses on bringing Europe closer to the Friuli-Venezia-Giulia citizen (this matter concerns the current debate on Governance) with information that is clear, appropriate and in touch with real concerns.

In order to help the regional community to experience the transition to the European single currency, the “The euro among us” campaign aims at achieving general and more specific objectives:

- Offering visibility, transparency and greater access to documentation on the euro;
- Guaranteeing a rapid and permanent updating on euro notices and themes through the Regions' web;
- Reinforcing a major partnership and close cooperation among all the interested bodies/ entities involved at different levels and in this context improving the network effect among the different regional subjects/centre in charge of the European policies;
- Carrying out a regional information campaign on the euro reaching directly the local population, specially the most vulnerable section of the population (the elderly, visually unpaired people, youth);

The existence of different economic-social-cultural aspects in the region, also connected to the cross-border aspect, and various interests of target groups could have hampered the efficacy of the action planned.

In order to tackle the linguistic, cultural and institutional difficulties, the following initiatives have been launched:

- A broad joint partnership has made it possible to take account of the different needs of the regional territory. The regional administration mainly addresses the general public, making use of the powers of other bodies to cater for specific interests (for instance SME, students, officials of Local Authorities);
- The close cooperation with the regional Press and Public Relation Office has ensured factual and updated information on the entire project;
- The reproduction of material on the euro (booklets and posters) not only in Italian but also in minority languages (Friulian and Slovenian) and the distribution of some other publications in Slovenian and Serbo-Croat were in line with the cultural characteristics of the Region. The enlargement process (especially in the case of Slovenia) has a direct impact on Friuli-Venezia Giulia.

#### **IV. Development of the activity**

“The euro among us” campaign of the regional administration through the Regional Directorate of European Affairs covers approximately 14 months.

Under the Regional Law 6/89, numerous initiatives have been undertaken since early 2001, such as:

- “Alle soglie dell'Euro”, workshop in Udine addressed to professionals and businessmen in collaboration with MIB - School of Management of Trieste;

- “Euro: benefici e sfide cruciali”, conference in Pordenone, as part of the economic and law culture course “Net society – Libertà e nuove regole” organised by IRSE – Regional Institute of European Studies;
- “Euro – moneta unica”, 4 workshops in the 4 Provinces aimed at schools, promoted by the A.I.C.C.R.E. (Council of European Municipalities and Regions) FVG ;
- “Lavorare con l’euro. PMI e servizi professionali nella realtà di una regione europea di confine”, 6 workshops in the 4 Provinces and in Nova Gorica (Slovenia) aimed at SMEs in collaboration with the Euro Info Centre IT 388 FVG.
- “Festa dell’euro”: many informative days on euro, organised by A.I.C.C.R.E – FVG for children and elderly people, that took place in Roveredo, Piano, Sacile, Cervignano del Friuli, Staranzano, Ruda, Sauris, Perteole, Fontanafredda, Sedegliane, Gorizia, Gradisca and Gorizia, Monfalcone and Gemona del Friuli, Cormons, Grado;
- The Project “The euro among us – the eurobus travelling around the Region” directly promoted by the regional administration and implemented in collaboration with the Info Point Europa of Trieste, under the patronage of the European Commission Representation in Milan: a fully equipped bus with qualified personnel travelled around the region from 5 October for an entire month, in order to bring the regional community close to the euro;
- “L’euro quotidiano”, conference in Pordenone organised by IRSE – Regional Institute of European Studies;
- “Arriva l’Euro”, thematic meetings in Gorizia, Monfalcone, Gradisca, Cormons, Grado for the local population promoted by the Province of Gorizia.

A number of other initiatives have been planned for the remaining days and months:

- On the regions institutional Internet site ([www.regione.fvg.it](http://www.regione.fvg.it)) the section “The euro among us” has been inserted, a tool to widen some contents that are ordered following their theoretic or practical character;
- The Friuli-Venezia Giulia Region is an official partner of the Information Campaign Euro 2002, launched by the European Central Bank in cooperation with the Central Bank of Italy.
- Under the Regional Law 6/89 the regional administration directly promoted the **project “The euro among us - the eurobus travelling around the region”**, in cooperation with the Info Point Europa of Trieste and under the patronage of the European Commission-Representation in Milan. A bus fully equipped with movable stands, digital camera, lap-top computer, TV and videotape, plus various materials on the euro travelled around the region for an entire month from 5 October (departure in Udine). Every day, the tour stopped in and informed different villages and towns (Udine, Palmanova, Codroipo, S.Daniele del Friuli, Fontanafredda, Tarcento, Gemona, Trieste, Opicina, Amaro, Buia, Spilimbergo, Sedegliano, Tricesimo, Pordenone, Nimis, Gradisca, Gorizia, Monfalcone, Cormons, Grado, S.Pietro al Natisone, Muggia, Cividale, Duino-Aurisina, Tolmezzo, Ronchi) about the euro; the campaign involved the local population via permanent and qualified personnel who cleared up misunderstandings and provided detailed information. The project sought to establish a concrete network among the regional bodies/entities/centres/associations dealing with the promotion of European integration. Their involvement in the organisation of parallel

events and initiatives at every eurobus stopping place publicised their action and brought the European message home to the population.

The municipalities of Amaro, Buia, Codroipo, Nimis, Palmanova, Ronchi, Sedegliano, Tarcento, Tolmezzo and the Province of Gorizia took an active part in this project. At every stopping place, organised to coincide with weekly markets, local fairs and events (FRIULI D.O.C., the international Regatta Barcolana, Conference and Seminars on the European themes), a series of meetings with students and pupils were held in schools or on the eurobus. The public was alerted to the “European Year of Languages 2001” and to some specific Community Programmes such as Socrates and Youth.

The Regional Directorate for European Affairs, thanks to the collaboration with the European Commission (DG Health and Protection for Consumer), the Council of Europe (DG IV Education, Culture and Heritage), the European Central Bank, the National Euro Committee, distributed a considerable amount of material on euro: games and booklets of the “EuroMadeEasy” Programme, the euro guide “Vivieuro, Eurofisco, Euroimpresa, Euroverde” of the Italian Ministry of Economy and Finance, also in Slovenian and Serbo Croatian Languages, the booklet “How to learn languages” and the poster “European Year of Languages 2001”, the booklet “Camillo e l’Euro”, the publication “Banknotes and Coins”, dossier ”Dalla Lira all’Euro”, “InfEuro”, a calendar on the security features of the banknotes. Thousands of copies were produced of Guide “Ciao Lira, Benvenuto Euro” (Bye Lira, welcome Euro), in Friulan “Mandi Lira, Benvigût Euro” and in Slovenian “Nasvidenje lira, Prihaja evro”; tens of thousands of pocket conversion tables lira-euro/euro-lira were distributed.

## Résumé

*The integration of the euro info campaign in the overall mission to bring Europe closer to the citizens gave the region's activities an additional boost, i.e. by not only transmitting technical, legal etc. features of the new currency, but also its general European identity building capacities. Given the region's proximity to a future EU Member State (Slovenia) and the immediate impact of enlargement on the region, the campaign encouraged the regional administration to produce and distribute a wide range of euro material in other languages (Slovenian and Serbo-Croat). This also contributed to a further smooth functioning of cross-border relationships.*





## *MURCIA (Spain)<sup>10</sup>*

### **I. Introductory remarks**

The autonomous community of Murcia is situated in the south-east of the Iberian peninsula. It has a surface area of 11,314 km<sup>2</sup>, 2.2% of the total surface area of Spain. Located at the centre of the Mediterranean Arc, it is bordered by the province of Alicante to the east, Granada and Almeria to the west, Albacete to the north and the Mediterranean Sea to the south.

Demographically, a key feature of Murcia since the 1970s has been a rate of population growth higher than that of Spain as a whole. Between 1991 and 1996, the region's population grew by 4.94%, while that of Spain increased by 2.01%. This trend has remained constant: as at the last census in January 1998, the region of Murcia had 1,115,068 inhabitants, and was the autonomous community with the third-largest rise in population after the Balearic Islands and Navarra.

More than 50% of Murcia's population lives in three main towns: Murcia, Cartagena and Lorca.

Agriculture plays a more important part in the region's economic structure than at national level. The service sector is also less significant. In 1997 the agricultural sector accounted for 8.7% of GDP, compared with 4.9% at national

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<sup>10</sup> This information has been provided by the region of Murcia.

level. Services accounted for 61.1%, against a figure of 65.5% for the country as a whole.

## **II. Target group and objectives of the euro project**

The initiative was launched by the Euro Info Centre Murcia (ES 217) as part of the range of services provided to enterprises in the region. The specific aim of this initiative was to encourage Small and Medium Sized Enterprises (SMEs) in the changeover to the euro at regional level by providing them specialist training and advice services during the transition period. The idea of the EUROcertificate for companies was launched in this context.

## **III. Description of euro project**

The EUROcertificate project included a training period and tailored assistance in order to prepare the most appropriate plan for the changeover to the euro for each company. To start with, some consultancy firms standardised their procedures in order to participate in the project. The EURO-certificate methodology was then transferred to them before the launch date. From 20 consultants, 13 were selected to give companies 16 hours' training and to help SMEs to design the most appropriate implementation plan, with the support of several hours of consultancy.

To make companies aware of this project, the EIC sent mail-shots to more than 1,700 companies, and all technological and research centres and professional associations in the region. In addition, a press campaign was organised. The project includes firms (mainly SMEs) from all sectors, except those in the

commercial sector, because they have their own European Code of Good Practice.

The project was aimed at firms located in the Murcia region, and particularly at small and medium-sized firms engaged in manufacturing, processing, services or wholesale distribution.

Firms must complete the comprehensive training period, which is led by one person per firm, who, as the **euro coordinator**, is responsible for training and developing and implementing the plan throughout the company. The training programme has a uniform structure and aims to bring together a maximum of 18 (minimum 15) firms in related sectors, which share the same needs and concerns. Professional associations and sectoral technological centres are also involved.

Those firms that have implemented the changes required for the transition to the euro throughout their various departments, and wish to apply for the **EURO-certificate**, must submit a detailed description of their changeover plan, to be examined by the consultants in charge of the project.

Nearly 500 regional companies were expected to be certified in 2001, in groups of 15-18 firms each. To date, a total of 30 Eurogroups have been trained, some 410 participants off SMES from 4 municipalities (Murcia, Cartagena, Caravaca, Lorca) have completed preparatory sessions. 283 Eurocertificates have been awarded to companies.

At the end of the process, with the support of the EIC's Regional Development Institute (Instituto de Fomento de la Región de Murcia) each firm will obtain a diploma and the right to use a specific logo in its commercial communications; this is a great incentive for SMEs.

The EURO certificate project in steps:

1. Comprehensive training period (16 hours)
2. Development of a plan for the introduction of the euro in the firm
3. Individual tutorials for revision of the changeover plan
4. Follow-up and approval of the plan
5. Award of EURO-certificate

#### **IV. Benefits**

The following beneficial outcomes for the various partners could be identified:

*For EICs*

- Increases competence, experience, knowledge in the framework of the changeover to the euro;
- Increases EIC's visibility;
- The EIC reaches new clients and can confirm its role as a locomotive of the European changes for SMEs.

*For the EIC network*

- A successful and new project in such a relevant subject as the euro.

*For SMEs*

- Possibility of getting a diploma and a logo and therefore gaining credibility vis-à-vis the public;
- Acquire knowledge on the changeover to the euro.

*For the European Commission*

- Increases its visibility in the region of Murcia.

The same programme has also been developed with great success and in collaboration with the key players of Murcia in two other Spanish regions, managed by CIDEM in Catalonia and EUROBIZKAIA in the Basque country.

## **V. Constraints**

The project required a lot of preparation task and resources over a long period of time (more than a year). As for the budget, it mainly comes from the Euro Info Centre (EIC) and its regional development institute.

## Résumé

*The EURO-certificate initiative used by Murcia to support its SMEs in preparing for the euro, following a schematic implementation system, has both allowed the SMEs to use additional marketing instruments (such as the ISO certification) and to demonstrate their excellence in this field. It also enabled all interested parties (i.e. EIC, SMEs, EC) to reinforce their networking and to prepare for future bi- and/or multi-lateral - cooperation.*

## ***VENETO (Italy)<sup>11</sup>***

### **I. Preliminary remarks - Veneto at a glance**

The Veneto region is located in the north-east of Italy and has a total population of 4,487,560 spread over a total area of 18,365 km<sup>2</sup> (i.e. 238 inhabitants/km<sup>2</sup>). The majority of the population lives in the urban areas of Venice, Verona, Padua and Vicenza. The region's chief town is Venice, a picturesque city on the Adriatic.

The total workforce in the year 2000 was approximately 2,016,000, employed mainly in the commerce, industry and service sectors, with fewer workers in agriculture and construction.

### **II. The euro project in Veneto - the experiences of the Volunteer Work Service Centres**

The Volunteer Work Service Centres (Centri di servizio per il volontariato) are "not-for-profit" organisations registered under the national (reference law 266/91) and regional (reference law 40/93) legal systems. Their activities centre

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<sup>11</sup> This information has been provided by Mrs Nadia Giaretta, Project Manager, Region of Veneto in Brussels, Mr Renzo Scortegagna, Scientific Coordinator, University of Padua, and Mrs Sandra Cattaneo, Executive Coordination, Volunteer Work Service Centre in Padua. The information in full is also available on the website [www.regione.veneto.it](http://www.regione.veneto.it).

on providing information, training, promotional and consultancy work on various topics of interest to their respective target groups.

A total of 1,571 volunteer associations are currently registered in the Veneto region (with older people forming 10% of the beneficiaries). In addition, there are an estimated 7,000 voluntary associations not registered in the regional register of such organisations. Today, around 39,000 volunteers are active in the region.

### **III. Euro activities carried out in the Volunteer Work Service Centres**

#### *a.) Courses for confidence mediators*

Between March and May 2001, training courses for "confidence mediators" were held in each of the region's seven provinces. Each course consisted of six four-hour lessons and was preceded by a presentation lesson and two planning lessons, making a total of nine meetings in all.

The courses were held simultaneously in the seven provinces. Each course had around 30 participants, producing a total number of 210 confidence mediators coming from 87 different voluntary associations. Most of these associations work with the elderly, but some participants came from other types of association such as:



- blood donors;
- organ donors ;
- the forestry corps;
- the National Alpine Troops Association;
- people with disabilities;
- aid for the poor, aid for prisoners.

Each Euro-course programme for confidence mediators focused on:

- Presentation of the project and its aims;
- Informing to raise awareness;
- Interpreting signs and explaining the changeover;
- Preserving identity when opening up to the new system;
- Overcoming resistance;
- Combating resignation;
- Improving skills;
- Planning and study meeting.

During these lessons, participants - supported by the teachers - had to create their own project, following certain coordinates/data preliminary to the launch of the project:

- General aims of the project;
- Activity objective/s;
- Available human resources;
- Available material resources;
- Venue;

- Target number and kind of people;
- Identifying needs;
- Planned methods and strategies;
- Issues to be tackled;
- Kind of activities planned;
- Assessment methods;
- Time frame;
- Expected outcome.

Using an active teaching method, teachers and participants were able to try out ways of approaching the “mediators” and test criteria for use in their training. They also helped to devise and select materials for use in furthering the project's aims. At the same time, they identified day-to-day events in the life of the elderly where the euro could cause problems for them. These are occasions when the mediators must step in to provide support, so that people's experience with the new currency is a positive one.

At the end of the courses, each participant received a training kit containing:

- a certificate;
- an ID card;
- a practical guide (a brochure);
- a training manual.

When implementing this project, the main difficulties encountered by both the mediators and the elderly were as follows:

Main difficulties experienced by the *mediators*:

- lack of materials, especially facsimile coins and banknotes;
- need for more information on the economic aspects;
- difficulties regarding cooperation with public bodies;
- need for clarifications on the adjustment of the IT system.

Main difficulties experienced by the *elderly*:

- fear of being tricked by small traders;
- difficulty in understanding "rounding-up";
- euro-scepticism and desire to postpone the problem.

In the province of Padua, a course was held between May and June 2001 by university lecturers for 30 care workers who work with people with psychiatric problems. The course was held in the former psychiatric hospital in Padua, and was attended by professionals in the sector, some cooperative workers and some representatives of family associations. From July onwards, the workers began to pass on the method to their users. In view of the success of the course and the keen interest shown by participants, this training is being extended to regional level.

The materials produced by the project were:

- a practical guide (see annex);
- a training manual;

- a test (prepared by the scientific expert for the elderly to check their preparedness for the euro and familiarity with it);
- brochure of euro coins and banknotes (10 page brochure with euro coins and banknotes (showing both sides) that can be cut out and used for practice) ;
- Web page (included on the Veneto region's home page, and containing details of the project and innovations);
- Z card (pocket-size information produced by the Veneto region in a twin version - banknotes and coins - information on the euro);
- TV advert (an advert is being prepared for local TV stations).

*b.) Cooperation with neighbouring regions and municipalities*

The materials produced have been found so useful and informative that various cities and municipalities outside the Veneto region - Turin, Bologna, Bolsena (VT), Crocetta (TV) - have expressed an interest in them and asked to distribute them in their own centres. The mayor of Crocetta requested 2,500 copies of the practical guide so that he can “distribute it to all households in the town for information purposes, because it is so clear and informative.”

*c.) Activities carried out for the project by other partners*

As part of the project "Getting acquainted with the Euro”, Irecoop Veneto (regional institute for cooperative studies and education) staged the Padua University training course for its own coordinators/mediators. The following topics were covered:

- General structure and workings of the European institutions;
- The transitional stages to the Euro;
- Consumers' adjustment to the Euro;
- Psychological approach to the Euro;
- Resistance to the euro and to change.

The courses were provided for:

- *Administrators* in cooperatives in various sectors, particularly agriculture, as many cooperatives began to use the euro in their accounting procedures from 1 July 2001.
- *Young unemployed people*. The section on the structure and workings of the European institutions was given by teachers from the Euro Info Centre.
- *Social cooperative workers*: 23 four-hour courses were held for a total of 513 people. Thanks to authorisation from the Veneto region, euro seminars have also been open to agri-food cooperatives and cooperative credit banks in rural areas, as these bodies have a mainly elderly membership. Irecoop has created a page for the project on its website, where it will publicise all the meetings held in the region on the euro.

The Euro Info Centre has held some training sessions as part of the courses organised by Irecoop and has also:

- helped the Volunteer Work Service Centres by providing premises for meetings and disseminating information;
- helped to disseminate material on the euro;
- publicised the project on its website;

- promoted the project in the press.

*d.) Getting acquainted with the euro: promotional activity/conferences*

The project was presented for the third successive year at Civitas, the national fair of the social and civil economy held in Padua from 4 to 6 May. This fair is the main annual event for the voluntary and non-profit sector in Italy.

A stand was set up at the fair with a wide range of information on the project and the euro in general, and on the activities and possibilities which the European Commission offers for people who wish to travel or work in another country. The video entitled *The Euro: it's child's play* was also shown at the stand throughout the fair.

*e.) Getting acquainted with the euro: activities planned*

The following activities are planned during the last few months:

- organisation of two international meetings;
- organisation of seven provincial meetings to award certificates to the mediators;
- organisation of a conference in October to promote the euro project for schools;
- dissemination of videos in schools;
- organisation of courses for teachers;
- organisation of a conference by Padua province, for local authorities' public relations offices (U.R.P.) and social workers;

- adverts on local TV stations;
- promotion of the project in the local media and press.

### Résumé

*Since the volunteer work sector and its respective target groups often fail to be addressed by general information and communication projects, the case of Veneto provides a clear insight view of what concept and subsequent workload, what different and additional issues etc. the euro familiarisation actions for groupings such as elderly, prisoners, disabled persons etc. need to be taken into account and applied. Especially, some features on euro training such as mediators (persons of confidence), simple and practical euro kits etc. have been drawn up and used efficiently during the euro activities.*





## **2.) "LOCAL CASES"**

### ***BESANÇON (France)<sup>12</sup>***

#### **I. Introductory remarks**

In 1997, the city of Besançon decided to tackle all aspects of the introduction of the euro, such as, administrative aspects and those related to accounting and citizen information.

In 1998, it decided to launch information and awareness campaigns aimed at the general public and more specifically at elderly people, children, marginal groups and the handicapped.

#### **II. General framework of the actions**

The first action resulting from the dynamic role taken on by the city was to change over its services to the euro. Since January 1999, the budget, accounts and prices of all services provided to the public have been expressed in both francs and euros (museums, libraries, sports and cultural centres). Payments in euros are accepted. To make this easier, card readers for bankcards that accept payments in francs and in euros were installed in some municipal public services in September 1999.

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<sup>12</sup> This information has been provided by the city of Besançon.

A two-fold information campaign about these measures was conducted in the press and on billboards.

### **III. Training and information activities for specific groups**

The first information activities, in the second half of 1998, demonstrated that in the field of information and training, special efforts focussed on certain population groups should have priority:

- elderly people, most of whom still count in old francs and have been voicing many fears as regards the euro;
- job seekers and people who are coming on to the labour market;
- the handicapped, and
- primary school children.

Special activities for these target groups have been developed and are being realised during the last months of 2001. Given of the difficulty of mobilising certain associations due to the nature of their work, the city first relied on departmental and municipal social structures, i.e. community centres for social activities, the Departmental Agency for Professional Integration, the Centre for the Handicapped at Work.

After having trained the managers of these entities, the actions are based on participative information techniques. The sessions take place in two stages:

- general information about the euro and Europe, complemented by question-answer sessions, and followed by

- practical training about prices and values in euros, in order to help allay fears and make it easier to acquire new points of reference.

### Résumé

*Besancon is a succinct example of what the "outline" of a euro project for a local authority may look like, taking account of and focusing on the issues which have also been mentioned as the key priority areas at the beginning.*



## *DUBLIN (Ireland)*<sup>13</sup>

### **I. Introductory remarks**

Although in particular the year 2000 issue (Y2K) has generally received priority attention –in many areas (especially in the retail sector) the euro situation was more seen as a 2002 problem -, the city of Dublin was aware throughout all sectors that the potential for its local territory and the opportunity which EMU presents must not be lost.

Especially in the view of the decision of the UK (= Ireland's biggest trading partner) to currently remain outside the zone is having major implications for the local government where considerable procurement contracts exist between Ireland and the UK. Other issues included sterling bank accounts, foreign exchange options, marketing and production actions. The UK decision and the current strength of sterling have contributed to the tourism boom with numbers doubling over 5 years (Dublin is the third most visited city). Yet this globalisation threatens the future of indigenous industries, for example the small stock exchanges where geographic location is no longer a factor. As far as local authorities were concerned the major issue involved the conversion of the IT systems from UK suppliers to cater for the euro.

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<sup>13</sup> This information has been provided and exposed by Mr Michael Redmond, City Treasurer, Town Hall Dublin during the Seminar on EMU at EIPA Maastricht, December 2000.

Since 77% of all jobs in Dublin are centered on services and a rapidly expanding financial sector, the city government considered the euro as a window of opportunity to establish itself as a major player in financial services, shared services and e-commerce.

## **II. The euro change-over actions**

### *a.) In general*

Following the European Council's confirmation that Ireland had fulfilled the necessary conversion criteria a "National Changeover Plan", a Single Currency Officer's Team (SCOT) for the public sector and a Currency Changeover Board were established to oversee the implementation of the changeover including areas of Public Consumer Information.

The Department of Finance in Ireland has overall responsibility for coordinating the preparation for the change-over to the Euro. It has discharged this function through a number of far reaching national programmes and interventions.

An EMU Business Awareness Campaign is a key element in the national information programme and focuses on disseminating information and collecting feedback and analysis on how EMU affects various sectors. The organisations represented include the accountancy profession, banks, trade unions, SMEs, tourism and export interests.

Many decisions relating to local government participation in the planning process have been made at the national level. However, these decisions relate

more to issues of coordination and standardisation of approaches and not to the strategic issues relevant to individual local authorities.

*b.) In particular local*

In this context, a "Dublin Euro Project Plan" has been drawn up highlighting in a specific, timed and costed manner the functionalities required in financial monetary systems including the structural management implications of the same.

In assessing the business impact of the euro it was the intention to issue a questionnaire which focuses on specific questions such as

- Who is to coordinate the overall project of conversion within the local government unit (assign responsibility)?
- How will subsidiary authorities and companies in the public sector be dealt with?
- Policy regarding acceptance and payment in euro?
- Will the local authorities run dual accounting for the first period from 1.1.2002 (dual accounting)?
- How prepared is IT to tackle the situation?

None of these topical questions could be answered without consideration of the strategic business needs and customer requirements.

The preparation of a Business Impact (Risk) Assessment was seen as an essential element of the plan. A number of key areas in each local government

unit were examined with a view to assessing the capacity and competency of the organisation in responding to change. The business impact assessment could be scored with high or low impact characteristics. This has assisted the local authority in assessing the implications of success or failure. The key business impacts *revenues, continuity, competitiveness* had to be thoroughly assessed.

The impact of EMU on existing strategies must be examined for consistency. The demands of customers must be met. The accounting and financial reporting arrangements must co-ordinate management and public accountability information with the currency changes. IT systems must be capable of conversion to dual currency and have the capacity to deal with additional size requirements etc. Training and communication as well as the legal impact of the euro must also be assessed.

The Dublin City Plan also includes a crisis strategy known as *Plan X* and this was tested or simulated to assess the implication failure. Conversely, the success of the project must be measured against specific criteria. Proper benchmarking is essential and "Europartners" were required to do so.

The euro project is managed by the Deputy City Treasurer and his team. Awareness of the euro internally has been tackled through staff seminars, staff bulletins, a customer awareness/consultation process has been initiated in this context.

There were literally hundreds of issues to be addressed which include for instance accounting in euro, remuneration, pricing policies, property taxes etc. The framework around which the plan was constructed relates to the "pay-



accept-trade-price in euro" principle. Decisions on legacy systems (laws, directives etc.) were taken following the "4 R's" (replace/repair/rewrite/retire) principles.

An inventory or check-list of systems was carried out to identify critical survival systems without which the local authority could not manage. Changes were communicated through an Intranet site in Dublin Corporation and this is available to 1,500 staff. New systems (IT) being commissioned were acquired only if they are EMU compliant and existing legacy systems were being assessed and upgraded with "front-end" technology to deal with the euro.

Finally, staff training in Dublin has been given priority especially in accounting and customer services. Externally, a strong effort was put into the information campaigns, showing that the switch to the euro will not imply a rise in consumer prices since the Irish pound is the only European currency with a higher face value than the euro (€ 1 = IEP 0.787564).

### **III. Conclusion**

The strategy in Dublin city was to plan the introduction of the euro ahead of the compulsion deadlines, because the successful adoption of the euro will give the city benefit from lower interest rates, improved procurement opportunities and the creation of a more efficient and competitive local authority. The strategy was essential in an environment where customers are also planning for the euro. The Big Bang approach which was suggested in some quarters leads in the Dublin view point to an attitude of "Do Nothing" which then would lead to major business failures in many organisations.

The benefits of the economic monetary union and the adoption of the euro will give the city of Dublin major economic power in particular and in general, the creation of a European economy estimated to be 10% larger than the USA in terms of Gross Domestic Product (GDP).

### Résumé

*The city administration of Dublin was an exemplary case of first analysing in-depth and in a strategic way, on the focus of the city's economic and business interests (i.e. service and financial sectors), before starting the euro implementation process and taking public decisions respectively. This clearly policy-(re)oriented approach of the euro introduction enabled the key public players to evaluate and, subsequently to react, in addition to the impacts on the administrative, legal etc. steps, to any impacts for businesses, such as revenue and competitiveness. Other features of a successful implementation process of the euro in Dublin were, for instance, the inclusion of a crisis strategy (following the motto "what happens when this does not work as we thought?") or the simplicity of decisions and rules when readjusting the legal systems (following the 4 Rs, i.e. replace/repair/rewrite/retire) which was not only accepted, but also followed at an early stage by the partners involved in the changeover.*

## ***GREEK Local Authorities***<sup>14</sup>

### **I. Introductory remarks**

The decision for Greece's entry into Economic and Monetary Union (EMU) was made by the ECOFIN Council at Santa Maria da Feira (Portugal) on 19 June 2000. Greece adopted the euro on 1 January 2001, at the irrevocable conversion rate of 1 € = GRD 340.750.

The period from the adoption of the euro to the launching of euro bank notes and coins, known as the "transitional period", was planned to last three years for the 11 countries that entered EMU on 1 January 1999. In Greece, according to the *National Changeover Plan* (July 1998), the transitional period has a duration of one year ending on 31 December 2001; after that date, euro cash will be introduced in Greece simultaneously with the other 11 Member States of Monetary Union.

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<sup>14</sup> This information has been obtained during the interviews held on October 2001 with Mr Yannis Biris, Directorate for the European Union, Directorate General for Economic Policy, Ministry of National Economy, and Mrs Daphne Papadopereleou and Mr Costas Maglaras, Bank of Greece.

## **II. The euro change-over project in Greece**

### *a.) The organisational structure*

Greece is a centralised or unity state, although it has 13 regions and more than 1,000 municipalities covering coastal, mountain, island and urban zones. Due to its administrative structure, the lead and supervision as well as the coordination of the preparation for the change-over to the euro lie in the hands of central, national institutions (National Ministries, Bank of Greece etc.) and/or centralised associations, representing the whole community of regions (e.g. Unions of Prefectural Self Governments) and municipalities (e.g. Central Union of Municipalities and Communities).

As a consequence, the range of euro actions such as various technical modifications, training measures and communication and information initiatives on the euro are steered at the central level, but using their well structured logistical systems (e.g. Bank of Greece with 27 regional branches and 124 distribution centres) to ensure that the local and regional entities are fully ready and aware for the €-day to come.

The institutional body, having the overall responsibility of the euro introduction in Greece, is the *National Coordination Committee for the Euro* (NCC) which was set up by the Prime Minister in 1998. The chairman of this committee, which comprises representatives from public and private sectors<sup>15</sup>, is the Minister of National Economy.

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<sup>15</sup> Ministry of National Economy, Ministry of Finance, the State Legal Council, the Council of Economic Experts, Prime Minister's Office, the Bank of Greece,

Special working groups (Ad-hoc) within all ministries, as well as in other public and private institutions, and a *Special Action Group* ("task force") have been formed which closely cooperate with the Ministry of National Economy to push through the changes required.

In addition to the before mentioned *National Changeover Plan* which was issued in July 1998 and describes the exact preparatory steps of the euro introduction in Greece, a *National Cash Changeover Plan* has been elaborated and distributed (around 20,000 copies), as the outcome of the close cooperation between the Ministries of National Economy (Coordination) and Finance and the Bank of Greece, with input from the Hellenic Bank Association.

*b.) Some euro actions*

As opinion polls have shown (Eurobarometer), the majority of Greek citizens and professionals/entrepreneurs think very pro-euro and, hence, support the introduction of the new currency ("... the euro as a national matter for everybody..."). Preparation and promotion of the euro therefore focus mainly on the practical issues that will arise from the circulation of the euro. This effort runs at a more intense pace during the last month before €-day reaching a peak in the month of November.

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the Hellenic Bank Association, the Central Union of Municipalities and Communities, the National Statistics Service in Greece, the Athens Stock Exchange, the Greek Industries Association, the Commercial and Industrial Chambers of Greece, the National Confederation of Greek Commerce, Labor and Trade Unions.

The Ministry of National Economy has been closely cooperating with the European Commission and its delegation in Athens to promote the euro communication and information programme, and has - in this context - greatly benefited from other programmes running in other eurozone countries. The Bank of Greece, at the same time, has commenced its own respective information programme, which however focuses on specific currency-related issues (e.g. familiarisation with the euro and recognition of its notes and coins, information on security features to avoid forgery etc.). Special attention and special resources have been focussed on both the younger people, who may become important multipliers of information, and on sensitive groupings (i.e. the elderly, disabled etc.). Actions for these groups are run in close cooperation with the Central Union of Local Authorities and Communes in several sub-national entities (e.g. Larisa, Tripolis etc.)

#### Display of dual pricing

Greece has required companies to display dual pricing (the larger one first) as of 1 January 2001, the date when Greece entered the EMU, by law (2842/2000). The same has been applied for enterprises with less than 10 employees as of 1 March 2001. This not only forced the businesses to introduce the technical modification, but also encouraged them to learn about the single currency.

#### Euro-training

The Bank of Greece through its 27 branches in the regions have started with training sessions for trainers (e.g. cashiers) in April 2001 and has provided training to approximately 2,700 people. The branches of the Bank of Greece are respectively responsible for the training and euro communication of the whole

region (including the public administration bodies). Training topics included mainly the provision of knowledge on coins and notes and security features.

### "Eurocles"

The Bank of Greece has developed a game called "Euroraces", using a comic owl that needs to pass several countries, responding to various euro related questions etc., which was distributed to schools all over Greece. The aim was to reach children and young people, and through them their parents. The "racing owl" has been specifically chosen, because it is the symbol of the goddess of Athens and stands for wisdom and knowledge (on the euro). It turned out to be the most successful tool in this context, because the owl does - in addition - not only feature on the €1 coin in Greece - a reproduction of an Athenian tetradrachm (four-drachma coin) minted in the 5<sup>th</sup> century BC, but also it is the symbol of many educational institutions and school organisations/associations, hence a widespread and known feature/symbol among Greeks. The game was swiftly nicknamed "Eurocles".

### ATM improvements

Since Greece among others still belongs to the group of "cash economies", banking machines (ATM) were quickly up-dated and improved for euro circulation. The number of machines has been increased by 50% to a total of approximately 4,000 during the last 1 1/2 years and it will be even more increased during the last months of 2001. They agreed on a ruling if a bank has not converted its ATM by 15 January 2002, it will be closed down.

### Postmen as euro information channels

Due to the geographic situation in Greece with its islands and mountain regions, the post services have been used in order to reach the population in these remote areas. There are areas to which in general only the postman goes once a week/month in order to deliver pension payments and to deal with other administrative issues. This group has been specifically trained to transmit the euro information to this target group, knowing that they receive the trust of the people and demonstrate credibility.

## **II. Conclusion**

In short, information campaigns in Greece at all levels were stepped up during the last quarter of 2001, leaflets, press coverage, round tables etc. are examples of the coordinated efforts for rapid information and the reinforcement of preparatory actions. Since the Drachma also went through "bad moments" during its monetary history, relevant market research shows that the majority of enterprises and people believe that the introduction of the euro will have a major positive impact on the Greek economy and businesses. This may certainly help to speed up the "eurofitness" programme.

However, the major concern still expressed in Greece is that the SMEs and the local authorities ("... 80% of local administrations are ready...") are not yet sufficiently prepared, in general, and, in particular, with respect to their IT systems.



## Résumé

*Being admitted to the EMU project at a later stage, has allowed the Greek administrations to "use" good strategies and techniques ("best practices") from other local and regional players in the eurozone and to convert them, taking account of their own administrative, cultural, geographical etc. framework, into effective and innovate actions. Special mention in this context should be made of the initiatives such as the euro game "Eurocles" and the usage of the postal services (postmen as euro communicator for Greek islands) for transmitting euro knowledge to the citizens in general, and to marginal groups in particular.*



## *HASSELT (Belgium)<sup>16</sup>*

### **I. Introductory information**

The City of Hasselt is geographically situated in the north-east area of the region Flanders, Belgium, a "stone-throw" away from the Dutch border and cities such as Maastricht and Eindhoven, and Liege in Belgium. As the Capital City of the Province Limburg (the Belgian Limburg) it has a surface of 10,224 ha and approximately 68,000 inhabitants.

The local city administration with its 1,000 employees is subdivided under the guidance of the city mayor into 7 departments which are hosted by two main administration buildings. In addition, other city entities are spread over more than 10 other locations (i.e. fire department, 4 libraries, childcare, 3 museums, technical department etc.)

The financial situation of Hasselt is reflected in a total budget of 4,000,000,000 BEF ( $\pm$  € 99,157,000) of which 3,300,000,000 BEF (€ 81,804,000) are used to maintain the cities operations (= working costs) and which leaves a volume of around 700,000,000 BEF (€ 17,352,546) for investment purposes and initiatives.

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<sup>16</sup> This information has been provided by Mr Rudi Roosen, Head of Financial Department, Town Hall Hasselt.

## **II. The euro project actions in Hasselt**

### *a.) Internal adjustment challenges*

The city administration has encountered major workload implications for the euro introduction within the city's accounting system, hence, the up-dating and/or adaptation of software systems became of prime interest. The databases were converted, a new software version has been installed on 17 September 2001, which will be tested during the first week of December. Like other local and regional public administrations, Hasselt is facing the same inconsistency of views with respect to certain conversion techniques and results (e.g. conversion of the sum # sum of the conversion).

As a consequence, an internal rule to apply lowest level conversion was agreed upon. In this context, all financial reports of the budgetary year 2001 will remain in BEF (Belgian Franc), although the databases - as mentioned above - run in euro. On the revenue side, some difficulties and constraints will be taken into account, such as exchange rate and rounding differences, the 20% increased handling time in front offices, as well as cash problems during the period of transition (i.e. parallel currency usage). Initiatives to stimulate electronic payments around the €-day will counteract these tendencies.

Taxes and related regulations have not only been converted ("technical adjustment"), but have been also reviewed for content.

In accordance with the change-over actions, the city's employees will receive extensive training sessions, especially the "front office" staff to learn how to

handle the euro. An external company has been contracted for this task. As a general impression and expressed by staff opinions, training might have started too early (in some areas), and a shorter duration might have been more advisable.

As regards "hardware", parking ticket dispensers, lockers, postage meters etc. have been changed or replaced.

A particularity in Belgium and, consequently, for the city is the use of luncheon vouchers which also needed to be changed and still are valid for usage in Belgium only.

*b.) External euro challenges*

The city of Hasselt's euro decision-making bodies have seriously asked themselves and raised the question of "what is the job of the local authority?" regarding euro information provision of the euro for citizens, especially in view of the numerous actions carried out by other Belgian organisations and institutions, such as the Ministries at Flemish- and national level, the Bank of Belgium, several civil society representative associations, the EU institutions themselves and press coverage in the region etc.

Taking this into account and trying to avoid duplication of effort, Hasselt has introduced, in principle, four main information channels for its citizens:

- A pool of euro-volunteers have received both a theoretical and practical education in order to be equipped with the necessary skills and able to inform clubs, societies, neighbourhoods etc.
- A euro-infobus was placed in key locations throughout neighbourhoods, at several festivals etc. and was run by euro-volunteers, too.
- Hasselaar (i.e. information magazine for the inhabitants of Hasselt)
- A specific package of euro communication instruments has been developed and applied by the city's social department in order to inform and reach groupings such as the elderly, immigrants and the disabled.

### Résumé

*The Hasselt authorities have made a lot of effort to inform the population and staff. In order to train front office staff, Hasselt has selected an external specialist consultancy, and for other target groups they drew up their own structures using, for instance, the “euro volunteers”; this venture ran smoothly and can be considered as successful. The biggest issue the city has had to deal with before e-day was the change of its accounting software, because of its total dependency on the software supplier.*

## *HYVINKÄÄ (Finland)<sup>17</sup>*

### **I. Background information**

Finland joined the European Union at the beginning of 1995. The first national plan for transition to economic and monetary union and the euro was completed in December 1997. In April 1998 the Finnish Parliament decided that Finland would apply for entry to the third stage of EMU, and Finland's application was approved in May 1998.

In 1997, the **Association of Finnish Local and Regional Authorities** launched a preliminary study of the effects of the euro changeover on municipalities and joint municipal authorities:

- A document entitled *Introduction of the euro in municipalities* was published as an appendix to the Municipal Finances Bulletin (3/1997) in spring 1997;
- *A Guide to the introduction of the euro* and *A Model plan for the introduction of the euro in a municipality – City of Hyvinkää plan* were published in March 1998.

The latter publication also appeared in the form of a project plan, which, in addition to the Hyvinkää plan, included blank forms that municipalities could use to draw up their own plans.

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<sup>17</sup> This information has been provided by the Finnish Association of Local and Regional Authorities.

## II. The euro project in the City of Hyvinkää

The guide and Hyvinkää model plan were drawn up on the basis of the 1997 national transition plan and other information available at that time on legislation and the effects of the euro changeover in various sectors of society. It included an analysis of:

- stakeholders and the implications of their changeover to the euro for municipalities;
- the effects of the euro changeover on different municipal services.

The Hyvinkää model was based on the assumption made in the national transition plan that the public sector, including the municipalities and joint municipal authorities, would switch to the euro at the end of the transition period, that is at the beginning of 2002.

In this context, the Hyvinkää model plan is divided into two parts:

- measures to be taken in 1998 before the start of the transition period; and
- measures to be taken during the transition period, so as to achieve readiness for the euro changeover at the end of 2001.

In accordance with the project work plan, a coordination group was set up to monitor implementation of the plan and responsibilities were allocated. As the project has progressed in 1999-2001, each stage has been specified in greater detail in accordance with the plan.



### **III. Experiences gained by Hyvinkää from the euro changeover**

- The project work model proved useful in managing the changeover as a whole and in monitoring the progress of the project.
- Subsequent specification of timetables and operating principles for stakeholders, including banks and payment services, had a significant impact on the original plans.
- The updating of information systems in readiness for the euro proved to be more difficult than originally assumed.
- The drawing up of instructions and rules placed heavy demands on resources as the changeover date draws nearer. For example, more precise accounting rules are required for the euro conversion of wage accounting.
- The phased approach to the changeover work and the commencement of the euro changeover in spring 2001 proved to be essential, for example for information systems.

#### *a.) Information systems*

The main supplier of Hyvinkää's financial administration information systems (NovoGroup) chose the city of Hyvinkää to test its IT systems and serve as a model for other municipalities because of the good groundwork done by the city in this area. The supplier prepared the system updates for the euro in cooperation with city users, which tested the software. Hyvinkää's contribution to the updating of applications was considerable, and after testing the supplier was able to update other municipalities' software.

The task of updating municipal information systems is made particularly difficult by the fact that the overall system is composed of numerous different sub-systems (e.g. invoicing, customer registers, accounts payable and receivable, wage accounting, financial planning, payments, accounting, etc.). The systems used by different administrative sectors are all connected to a common accounting system in financial administration. Moreover, many systems have links to external systems, e.g. banks' payment systems.

A single municipality may have as many as 20 different IT suppliers in different sectors (social services, health care, education, cultural services, technical services, etc.). Financial administration software applications provided by different suppliers vary in terms of technical specifications and operating principles. Updating of equipment and software and interfaces between systems, and particularly between different suppliers' systems, are critical. Updating software to make it euro-compliant is therefore a huge challenge for municipalities' IT systems. The responsibility for updating in readiness for the euro lies with the municipality, not with the provider or any other public authority.

*b.) Necessity of a phased approach to the euro changeover*

The city of Hyvinkää recognised in 2000 that switching to the euro in a "big bang" at the very end of 2001 was unrealistic. Phasing the euro changeover of different functions in good time during 2001 required, inter alia, the following measures:

- since September 2001 wages of municipal employees and fees for elected officials were paid in euro. Prior to this, in August, there was parallel accounting in markka and euro. As a result of the parallel accounting, it proved necessary to define new accounting principles, which have subsequently been applied to wage accounting in all information systems;
- since October 2001, a large part of the city's invoicing has been denominated in euro. The possibility of using either the markka or the euro for payments via the banking system safeguards the right of members of the public to settle euro-denominated bills in markka throughout the transition period. The switch to euro-denominated invoicing has prompted a public debate in Finland. For example, the Finnish Consumer Agency is concerned that people could make mistakes when paying euro-denominated bills. Municipalities are required to give prior notice if they intend to adopt euro-denominated invoicing in 2001, and they are prepared to give advice and guidance to members of the public on these matters in connection with the changeover;
- social welfare benefits will be paid in euro from November 2001. The Ministry of Social Affairs and Health is concerned about this. However, as the accounts of recipients are still denominated in markka, the changeover is expected to go smoothly, as people will continue to receive payments in markka. Here too, municipalities are prepared to give people advice and guidance;
- the switch from the national currency to euro in Hyvinkää's accounting during 2001 in the middle of the accounting year provoked some discussion. Many other municipalities and joint municipal authorities have decided to implement this phased approach in their financial administration.

### *c.) Prices, payments and charges*

To gain an idea of the practical implications of the conversion of prices and payments to euro, the city of Hyvinkää drew up a list of all its prices, payments and charges. This brought home the reality of the new euro era to municipalities and joint municipal authorities that conversion frequently results in fractional amounts in cents, instead of exact markka amounts. Many municipalities have adjusted payments and charges during the transition period so as to avoid problems with the switch to the euro at the beginning of 2002. Tills and cash registers will be upgraded to accept electronic cash cards.

## **IV. Summary**

Hyvinkää has been a pioneer and an encouraging example to Finnish municipalities and other players in preparation for and implementation of the euro changeover. Early preparation for the changeover has made many stakeholders define their operating principles in good time for the final changeover.

The pilot project implemented by the city of Hyvinkää has been presented at numerous euro change-over training sessions arranged for municipalities and joint municipal authorities in various parts of the country in 1998-2001. These events have also been attended by representatives from church bodies and the business community. The leader of the Hyvinkää's euro project and head of information management was awarded the "Instructor of the Year" award from Kuntakoulutus Oy in autumn 2001.

The Association of Finnish Local and Regional Authorities is responsible for the dissemination of information on the euro changeover to its member bodies. In autumn 2001 the Association decided that it was not worth compiling an updated version of the euro changeover guide for municipalities and joint municipal authorities. This was because it was felt that the amount of information on practical measures would increase to such an extent as the euro changeover drew nearer that it would be impossible to keep member bodies updated by means of a printed guide. The Association maintains pages on euro-related matters on its web site, and these pages have been extensively updated with useful information on the euro and the euro changeover during 2001.

At the start of the transition period, the main focus of the training, information and guidance services provided by the Association was financial administration. As the final changeover date draws nearer, the emphasis has shifted towards informing the general public, introducing euro-denominated invoicing and giving guidance to people on payments, increasing the readiness of elderly people for the euro at customer service points, old people's homes and service homes and in connection with the provision of home-care and nursing services. The task of informing elderly people is being carried out in collaboration with the Finnish Consumer Agency, which has produced suitable material for this target group.

Educators and training providers revised their teaching programmes in spring 2001 to take account of the euro changeover. School textbooks were revised so that by autumn 2001 all national currency amounts for EMU countries had been replaced by euro amounts.

## Résumé

*The prime focus of the city of Hyvinkää on the information systems and other related issues such as accounting and budget systems within the municipal administration at an early stage has allowed the key players to thoroughly manage and monitor the readiness for the euro in time. All other issues such as staff training, euro information campaigns etc. were then carried out, once the phase (or "prerequisite") of systems adaptation had clearly been analysed, prepared and finalized. The assistance and services provided by an association representing these levels during the preparatory phase was definitely of great support and an added value.*

## ***LOUGHREA (Ireland)<sup>18</sup>***

### **I. Introductory remarks**

The town of Loughrea is situated on the main Dublin to Galway road some 37 km from Galway City. Loughrea is a dynamic commercial centre. The retail/services sector is Loughrea's largest single employer, but manufacturing companies such as Chanelle, Schlegel, and Krakajack also provide substantial employment. The town has experienced an unprecedented building boom in recent years and while the 1996 census, the latest available, showed a population of 3,335 the next census will undoubtedly reveal a significant increase.

### **II. Euro change-over actions - a practical approach**

The unique feature of the Loughrea Euro Town Project is its focus on the practical issues facing small and medium size businesses. The practical challenges as firms move to conduct business in euro are being identified and solutions developed on the ground. The majority of issues centre on areas such as software, cash handling, payroll and personnel, and operating euro bank accounts.

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<sup>18</sup> The source of this information is the Loughrea website <http://www.eurotown-loughrea.ie/> which was developed and designed by Galway Online.

The announcement that Loughrea was to become Ireland's Euro Town was made by the Minister for Science, Technology and Commerce on 29 March 1999. Thirty small and medium sized businesses have been participating in the project since June 1999. The businesses operate in the retail, manufacturing, professional services, farming, tourism and entertainment sectors. The selection of businesses is designed to reflect SMEs throughout the republic.

All of the participating businesses prepared changeover plans based on the planning framework produced by the Forfás EMU Business Awareness Campaign. As a starting point one person in each business was assigned responsibility for the changeover. (For most of the businesses in Loughrea the person appointed was the owner/manager). A detailed business impact analysis was then carried out on each business to assess how the change to euro would impact on the business. Individual workplans were then produced for each of the businesses, including proposed target changeover dates.

The Loughrea Euro Town Project is a demonstration project in which businesses in Loughrea are being helped to prepare as early as possible for the introduction of the euro. The project is being run under the auspices of the Forfás EMU Business Awareness Campaign and is supported by the Euro Changeover Board of Ireland and the Department of Enterprise, Trade and Employment. It was Loughrea Chamber of Commerce that first developed the proposal to put local businesses in Loughrea in a "test tube" for euro changeover and to use their experiences to help small businesses around the country in preparing for the euro.



Many businesses in Loughrea have made significant progress and indeed, one example, the Flynn Concrete Products. Ltd, was probably one of the first companies in Ireland to be fully prepared for the euro. Already customers are invoiced, suppliers paid and the business accounts compiled in euro. The business operates a euro chequebook, with the cheques drawn on the Irish pound bank account. A key element in becoming euro ready was changing to a software package with sufficient capacity to operate in a dual currency mode.

### **III. Goals and results of the euro project**

The EMU Business Awareness Campaign had a number of goals:

- To increase business awareness of the implications of EMU and the changeover to the euro.
- To communicate to firms the significant steps/developments being taken to initiate EMU.
- To promote appropriate preparation as early as possible by firms.
- To facilitate exchange of information and cooperation among different groups and organisations involved in advising or supporting firms in preparing for EMU.
- To secure feedback from firms, on their information requirements in preparing for EMU.

In this context, the practical issues facing Irish SMEs in changing over to euro were emerging from the Loughrea Euro Town Project.

As already mentioned, accounting software has emerged as a key issue for Loughrea Eurotown Project participants. Many businesses found that off-the-shelf packages did not support their changeover requirements. Upgrades were needed to allow them to trade fully in both currencies during the transitional period. Some upgrades produced by Irish software houses include such a dual currency option. Businesses in Loughrea, particularly those with a debtor base, felt they required this capacity. Upgrades that simply include a conversion calculator essentially remain single currency packages.

Users of customised software are having similar difficulties. A significant retail/distribution company in Loughrea has invested heavily in custom-built control and financial software. The software is of German origin, but serviced through a UK supplier. It may be a year before the required upgrade becomes operational. For anyone with a customised software package, the message from Loughrea is to talk to your supplier without delay. Leaving the software issue until next year could prove expensive as the available resources will be under pressure.

Cash management is another significant issue, particularly for businesses in the retail sector where the exchange of Irish pounds for euro will take place within a very concentrated 6-week period from 1 January to 9 February 2002. During this dual circulation period, retailers will accept Irish notes and coins but give change only in euro. The switching of Irish pounds for euro will undoubtedly cause difficulties unless retailers have made adequate preparations to manage the two sets of notes and coins.

Retailers will also need to consider their existing equipment. In Loughrea some retailers have made their cash registers euro compatible by installing a chip. Another retailer has decided that the introduction of the euro provides an opportunity to invest in new equipment. Other businesses are exploring different options. For example, a local night-club is planning to use one till as an exchange facility and only accept euro in the remaining tills. Early identification of both the issues and the solutions is important.

The code of practice on the dual display of prices advocates dual display from 1 October 2001 to at least one-month after the end of the dual circulation period (9 February 2002). Most retail businesses participating in the Loughrea Project are already dual pricing goods. The businesses dual price goods as they are received. The length of time for dual display of all stock items varied, from three months to nine months, depending on the type of outlet and the rate of stock turnover.

### Résumé

*The case of Loughrea clearly shows a business-oriented approach, especially taking into account the structure, resources etc. of the players involved. The identification of the issues at an early stage and appropriate planning of actions have assured the private-sector players a smooth changeover procedure to the euro. The necessary resources have been allocated, individual work plans been drafted, a euro "trouble-shooter" appointed in each organisation, targets set, test simulations carried out etc.*



## ***ORLEANS (France)***<sup>19</sup>

### **I. Introductory institutional remarks**

"The euro is a unifying project" has been the main message for Orleans local authority in France. The leading players in the euro change-over process were headed and guided by the Secretary-General of the community (i.e. Head of the Territorial Government). His role was primarily to give the major political "impulse" to the decision to be taken and to appoint the steering committee which consisted of a project leader, the Director of Finance, the head of internal communications etc. He also increased the awareness of the Mayor and some of his deputies (= finance Orléans) on the issue. The Mayor is in charge of Orleans' finances.

The europlayers also included a municipal committee, an ad-hoc committee of elected representatives, representatives of associations etc. and the Treasurer of Public Finance, who is an auditor, but as the state intermediary he also had to advise authorities on this specific matter.

### **II. How to implement the introduction of the euro? - a methodological guide**

The city of Orleans developed a specific methodological guide for the euro change-over procedures taking into account:

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<sup>19</sup> This information has been provided by the city of Orléans.

- Duration = transitional period;
- Means = avoiding the “allure” of consultants;
- Drafting of procedures, including the drafting of specifications (or an Internal Charter) based on drawing up an inventory of needs and constraints as well as on evaluating/measuring the progress of the work permanently.

The document has been published on the intranet site of the municipality (H:\HOME\FORMATIO\EURO\COMEURO1.DOC\COMEURO1.DOC). In this context, a choice can be made between having this document adopted by the Municipal Council (as a sort of a one-off "political will") or making it a communication, with the advantage that it can be updated regularly. It can thus be used by any other local and municipal organisation.

### *Content of the euro-project-methodological-guide*

#### Taking the pulse of the municipal organisation

It is recommended to undertake a regular inventory of the needs with respect to the scale of the project. In terms of time, there is no key period and the financial year may even be the most favourable for implementing measures.

In order to detect all the areas of work and tasks on the euro, several methods have been identified:

- Distribution of a clear, comprehensive questionnaire to the different service departments (which means, in other words, the launching of the euro project in the community);

- "Listening" to the services and its staff;
- Observation/monitoring of municipal activities.

Once the list of activities has been identified, a time-scale needs to be worked out. The advantage of a rather generous transition period should be taken in full.

Within this time and thematic framework, the key topics (= priority areas), such as public corporations, conversion rates, contracts, internal/external communication etc. need to be identified and determined.

Next, organisational structures need to be established in order to give the above mentioned framework a clear system of tasks and responsibilities. The following bodies need to be installed and appointed:

- *Internal steering committee* (i.e. "body for dialogue") which can be composed of elected representatives/ civil servants/ external experts (for advisory opinions for instance), IT providers etc. which shall meet minimum once per quarter.
- *Sector-related task forces* (to fit in with the priority areas): each task force has to evaluate the costs of the transition to the euro within its area.
- A *Euro Project Leader* responsible for the preparation of meetings of the committees and the work of the task forces, as well as assisting the Secretary-General. The profile of the post shall include important skills such as editing, control of discussions, communications etc.

The euro project in the municipal organisation shall - following the above items such as structure, time frame etc. - be fed by several back-up instruments:

- *Official framework document*: What will be done during the transitional period? Who is responsible for what? etc. Make this information document accessible to all staff and up-date it.
- *Internal communication aids*: Do not inundate the services; standardisation of useful documents is recommended.
- *Service memoranda* regarding the application of the euro - Service memoranda should indicate who does what.
- *Information leaflets*: general documents for the public.
- *Monthly discussions*
- *Regular oral/ written communications to the municipal council*
- *Press/ Municipal bulletin working groups*

### **III. Conclusion/constraints**

The whole project as stated in the methodological guide only makes sense and will only be successful for both administration and citizens if a procedure for constant evaluation is developed alongside the official framework document and supervised by top-management (e.g. Secretary-General). The creation of a chart to measure the progress made on the introduction of the euro in the various services and departments is -in this context- indispensable.

#### *Résumé*

*Like the millennium (Y2K), the euro change-over has been given top priority by the Orleans city administration. This approach has undoubtedly contributed to its successful implementation. In addition, the structures, the supportive*



*instruments, the timetables for monitoring features etc. were instrumental in ensuring a smooth change-over process.*



## *THE HAGUE (The Netherlands)*<sup>20</sup>

### **I. Introduction**

On the proposal of the Euro Project Group, the Mayor and Council of the Hague decided that from the first 1999 Departmental Management Report (MARAP) onwards, the euro reports would be incorporated into the management reports. In order to accelerate the euro project, the Euro Project Group, with the agreement of the Steering Group, developed a system of progress monitoring. The purpose of the system was to monitor actively the progress and quality of the implementation of the preparatory activities for the introduction of the euro, up to the moment of the final change-over.

After the Steering Group had agreed on 31 January 2000 to the guidelines proposed by the Project Group, a start was made in early March on developing the progress monitoring system. This case study is the result of the process and it provides an overview of the instruments to be used to monitor the progress of adjustments to the euro and (possibly) related systems. The emphasis is placed on the most critical processes.

Progress monitoring is aimed primarily at the following areas: administrative organisation/accountancy, legal matters, communications/information, computerisation, treasury and management reports.

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<sup>20</sup> The monitoring system dates from March 2002. The information in this case was updated in January 2002. More information can be obtained from Mr G. Boot, Director of Finance, The Hague.

## **II. Progress monitoring system**

### *a) Relationship with the strategic plans*

The relationship between the strategic plans drawn up by departments in 1998 and the progress reports required since August 2000 is based on the fact that progress reporting follows on from the process of change mapped out in the strategic plans.

### *b.) Relationship with the Millennium Project*

In drawing up the system, account was taken of the lessons learned from the Millennium Project. Both projects are subject to tight central management but the various departments are responsible for flexible adaptation. Although the Euro Project and the Millennium Project both affect the whole area of municipal management, the introduction of the euro has a much broader impact. Whilst in the case of the millennium project, the primary focus was on computerised systems, the introduction of the euro concerns both the management processes and (possibly) related systems.

## **III. Management processes and (possibly) related systems**

### *a.) Critical processes*

Following the completion of the inventory phase, the Project Group has concentrated on critical management processes. These are primary external processes (e.g. tax estimates, billing, information on the changeover) and

primary internal processes (e.g. salaries and financial administration). These processes have a major impact on provision of services and management. In order to establish which services can be regarded as critical, the Project Group asked the various departments to identify those processes in the areas in question with far-reaching consequences in relation to the introduction of the euro.

The critical processes included in the inventory were listed and compared with the strategic plans. This made it clear that, in addition to the processes regarded as critical, a number of less critical preparations for the euro are also required. The departments do not however need to include these less critical processes in the progress reports, unless the relevant preparations are behind schedule or run into other problems.

In order to match the implementation responsibilities, the processes were broken down into the following categories:

- **"Concern" processes:** euro preparations, the monitoring, coordination and implementation of which are carried out centrally, such as balance management.
- **Processes spanning the whole municipality:** euro preparations taking place in (almost) all departments, such as financial administration and electronic banking.
- **Department-specific processes:** euro preparations which take place only in given departments, such as social security benefits (Social Affairs and Employment Department).

## **IV. Form and content of the system**

### *a.) Reporting frequency*

The inventory phase report which appeared in April 1998, the processes and systems referred to in the strategic plans drawn up in 1998 and the list of critical processes supplied by the departments completed in the spring of 2000 form the basis for the completion of the progress reporting models. Reporting frequency increased over time. Up to 2 April 2001, departments reported every two months. Between April 2001 and August 2001, monthly reports were required. The idea was to be ready for the introduction of the euro on 1 January 2002, and earlier if possible. The strategic plans contain completion deadlines for the separate processes for each department. It is therefore not necessary to lay down new milestones for the departments. It is preferable that the departments be held to their own timetable. The Project Group does however require that progress reports be submitted at certain intervals. This is in order to identify and correct any slippage in good time.

The Project Group requires the departments to submit the completed models to the euro project secretariat before the dates set. The purpose of the reports is to establish the situation shortly before the submission date. In practice, this time was being used for assessing the test activities (by means of audits) and additional reports for those sectors that were not yet ready. August 2001 to January 2002 was blocked for tackling unforeseen problems/delays.

*b.) Reactions to the reports*

The following steps were taken in reaction to unsatisfactory progress reports:

- The service may be required to resubmit the report on its area to the Project Group within two months.
- The Euro Steering Group may be informed in its capacity as intermediary between the Project Group and management. The chairman of the working groups will be given the task of encouraging the departments to achieve better results in the area in question and to assist the departments in doing this.
- The Steering Group may order an independent external audit of the department. The purpose of this is to draw the department's attention forcefully to its shortcomings and ensure that the department in question does everything possible to improve its results. The Steering Group will hold those individuals responsible for the process accountable.

Departments may fall behind the timetable as a result of some unforeseen event. It is therefore important that preventive measures be incorporated in the progress-monitoring arrangements. One such measure is the imposition of a final deadline by which all processes and (possibly) related systems in the departments will have achieved "euro-ready" status. The deadline is six months before the date of final introduction of the euro, 1 January 2002. This final six-month period is reserved for reports on the current situation with a view to solving any problems.

### *c.) Models*

Models have been established for progress reporting. Every department is required to give details of the necessary action and the resources to be used to this end. The models provide for an inventory in each area showing whether departments have achieved their targets for the adaptation of processes and systems. Where the targets have not been met within the deadlines, reasons for the shortfall have to be stated. The department is then required to draw up a new timetable and to propose specific solutions for meeting the new deadlines set.

The Project Group checks the reports. The results and findings of the progress reports are forwarded to the Steering Group in its capacity as intermediary between the Project Group and management. A report on progress is also submitted to the Mayor and Council.

## **V. Tasks and responsibilities**

Within the project organisation the Steering Group has established the euro implementation process, and it coordinates the work of the Project Group. In turn the Project Group lists, specifies and makes proposals with regard to the introduction of the euro. The main responsibility for successful introduction of the euro rests with the department. The head of department is responsible for ensuring that reporting meets the conditions laid down.

Responsibility for implementation in the various priority areas is devolved. The assessment and monitoring of quality and progress with regard to the various areas of concern in the various departments takes place on a centralised basis.



The chairman of the Project Group's working groups is the point of contact for the area in question. Within the system, as pointed out above, a distinction is made between "concern", municipal-level and departmental tasks.

The main responsibility for implementation of the process rests with the department in question. The department-specific processes fall within the remit of the directors of the relevant departments. The Project Group is responsible for assessing and monitoring quality and progress in relation to each area of concern within the departments. The chairman of the working groups is the contact point for the various areas.

Involvement of management in monitoring the progress of preparations for the euro can be complemented in a number of ways. The results of the monitoring process are recorded in the existing management reports drawn up in the framework of the budget cycle, the "concern" budget and annual report. In this way all Council members and authority bodies are kept informed in a uniform way. The results of the euro preparations are submitted by the departments to the relevant commission for information/discussion.

If a critical development which requires action is identified this is brought to the attention of the Mayor and Council via the Steering Group, with a request for a decision. The Mayor and Council will also be informed by the Steering Group of any unsatisfactory solutions to problems and/or changes to plans.

## **VI. Progress monitoring and preventive measures**

Before the introduction of the system, the General Accounting Department (GAD) carries out a quick scan of the completeness and accuracy of the processes and systems relevant to the euro. The Project Group is thus to be kept fully informed of the action required in order to be on track with the preparations for introduction of the euro on the date set, 1 August 2001.

In order to determine whether a process or (possibly) a related system deserves to be designated "euro-ready", good quality-monitoring is needed. In this context quality means the extent to which progress reporting complies with the requirements of the Project Group. These requirements are set out in the progress report models.

The Steering Group is involved in all activities within the six specified areas which on the last reporting date, 1 August 2001, were behind schedule and/or incomplete. If a department was behind schedule in one or more areas, it had to report directly to the Project Group by an agreed deadline.

### Résumé

*The Progress Monitoring System described in this case and established by the City of The Hague with its areas such as organization, computerisation, information etc. and with its timetable, model actions etc. has clearly reflected the need for and efficiency of such an approach and instrument, since all the different areas that were (or are) affected by the introduction of the euro, as well as the other administrative and policy processes, are interrelated and*

*responsible for the overall functioning of the municipality. The management of the system at the top level, but with a devolved implementation approach, underpinned the success of these techniques.*



## *IV. CONCLUSIONS*

As a preliminary observation and remark, one needs to state that the results and euro findings in the regional and local cases cover a great variety and diversity of examples, describing different approaches, target groups, structural and territorial circumstances, heterogeneous aims etc.; this obviously implies certain limitations and difficulties as to their representativity and, especially, comparative possibilities for an overall conclusion.

Since the cases differ in length (1-6 pages) and details, reflecting the difficulty encountered by the authors and the cooperating institutions in obtaining and gathering information material as well as collating them at this date and stage (October 2001), the general assessment of the regions' and municipalities' work on the euro will be based on both the cases presented in this handbook and on sources such as EC, ECB and CoR communications, opinions etc. as well as on the authors' own experiences and their institutional work relations with administrations/authorities at these levels.

The conclusions are drafted alongside the key priority areas mentioned under chapter II. To keep one's distance from specific recommendations, since their utility and usefulness need to be seen in the contextual framework in which each regional and/or local player operates, no general references and recommendations will be mentioned in addition to the individual ones mentioned and highlighted in each case.

### 5 Priority areas:

(1) *Legal adaptation and institutional changes*, i.e. the drafting and publishing of change-over plans for the public administrations and plans detailing the scenario for the exchange of notes and coins, the smoothing of legislation etc., did not encounter great difficulties in the regions and municipalities of the euro zone. Only the delays at the higher administrative level, have in some cases caused certain reluctance and lack of commitment to the consequences of adaptation during the initial phase. Institutional changes as a consequence of the euro introduction in the various organisations have widely been acknowledged and introduced, subsequently. The first column of Graph 2 reflects this observation with 9 out of 18 cases referring to legal and institutional adjustments when presented; this does not mean that the other regional and local players have not completed their work in this area. The pattern of this process is similar and comparable in all sub-national authorities, since the legal framework was launched and introduced by the European and national level.

(2) The *technical implementation* of the euro required extensive updating of existing (data) systems. In several sub-national entities, this issue was made more complicated by the fact that the entire system was built up of products and applications from different providers. Hence, the transition to a new currency was ideal for the introduction of different types of new software systems. In this connection such applications were increasingly being used within different services and administrative departments. Monitoring and progress report systems to detect possible failures and "left-over" areas have been developed and applied to ensure a smooth changeover.

Related to this area - the *internal re-organisation* - is the *re-orientation of strategic policy areas* as a consequence of the euro introduction at these levels. It therefore appears under the same heading. The introduction of the euro gave regional and local governments the opportunity to check and rethink their overall public identities, to reshape policies related to areas such as location attractiveness, to promote economic links within and outside of Europe independent of the "national" governments, in other words, to both to remain in the "market" in an on-going competitive environment and to provide additional help to further construct the role of the region and cities in a continuously integrating Europe. There is no doubt that the euro will further alter the landscape in which these territories operate, but, in this context, the opportunities have not yet been sufficiently developed and put it into practice. The 10 cases dealing with this topic area (second column) mainly refer to the technical and organisational requirements; little data is available -in general- on policy re-orientation (exception; for instance, Bonn and Dublin).

(3) *Coordination efforts and actions* with other tiers of public administrations (higher and/or lower) and other partners, especially as regards channel communication and information on the euro for both the staff and for the general public, have run (or are running) smoothly. This is also thanks to several initiatives from the European institutions. In this context, the euro introduction has provided a fundamental boost to the application of the concept of "public-private partnerships" as well as the relationship and collaboration among the various public players within these areas, which were seen as very successful by all parties involved. They may last beyond their completion and the date of the physical circulation of the euro notes and coins. Nearly all cases

(third column of graph 2) refer and highlight coordination and/or cooperation initiatives for the introduction of the euro.

Several expert opinions indicated that the introduction of the euro in regional and local bodies will cause additional and extra spending and/or cost (including more human resources), but it appears to be less (4) *financially estimated and quantified* by the regional and local bodies themselves. Little accurate calculations and assessments were carried out and/or made available about financial consequences (costs) directly occurred by changing over mechanical equipment such as ticket machines, parking meters, door lockers, vending machines etc. And there is no assessment of the economic impact and consequences the euro may have for the local and/or regional entity (e.g. in the context of inter- and cross-regional competition) at stake. Only three cases pinpoint or refer to numbers, calculations etc. in this context (column 4).

However, it has also become clear to the main players that the euro cannot solely be viewed from that perspective only, as an economic entity – it is a multi-dimensional phenomenon, with a very important socio-psychological dimension.

Consequently, attention has been focussed, especially during the run-up to €-day, on ways of enhancing *euro awareness* (5). This was and is being achieved through a large number of different training initiatives and information campaigns, tailor-made and/or addressed to the various target-groups. The euro promotion activities have used both traditional mass media instruments (TV spots, news-sheets etc.), but also innovative and original actions (e.g.



involvement of Catholic Church in the case of Azores, the postmen reaching remote islands in the case of Greece etc.).

In addition, simulation exercises in schools and market places, the creation of special euro websites and observatories, calculators, exchange of good practices in European networks etc. have been carried out and, consequently, are mentioned in almost all of the cases (column 5 of Graph 2).

The message here is clear and two-fold: it comprises both a demonstration and evidence through concrete strategies and measures, that the regional and local players were and are very active in preparing themselves for the changeover to the common currency. It is also clear that the implementation process is an on-going process, accompanied by a high degree of dynamism, and that during the first months of 2002, some challenges will remain to be solved on an ad-hoc basis.

On the other hand, the findings, the presentations of some good strategies and preparatory measures and their results could be of great support and invaluable use - as a practical manual or guidance for instance - for regional and local entities within the various groups of future euro zone members.



## ***V. Annex - SELECTION of recommended academic readings***

**BEYER, Andreas/DOORNIK, Jürgen A./HENDRY, David F.**, *Constructing historical euro-zone data*, *Economic Journal* 2001, v. 111, nr. 469, February, p.102-121

**CAESAR, Rolf/SCHARRER Hans-Eckart** (eds.), *Economic and monetary union: regional and global challenges*, Baden-Baden: Nomos, in cooperation with Institut für Europäische Politik, 2001

**CROUCH, Colin** (ed.), *After the Euro: shaping institutions for governance in the wake of European Monetary Union*, Oxford: Oxford University Press, 2000

**DYSON, K.**, *The politics of the Euro zone: stability or breakdown?*, Oxford: Oxford University Press, 2000

**HOUBEN, Aerd C.F.J.**, *The evolution of monetary policy strategies in Europe*, Dordrecht: Kluwer, 2000

**KJAERGAARD, Morten/ROED SORENSEN, Morten**, *The accession countries and the euro*, *Monetary Review*, 2001, 1<sup>st</sup> Quarter, p.87-100

**O'BEIRNE, Patrick**, *Managing the euro in information systems: strategies for successful change-over*, Massachusetts: Addison-Wesley Longmen, 1999

**RIS, Birgit** (ed.), *The Euro in law and practice*, Bembridge: Palladium Law Publishing, 1999

**SCHUHMACHER, Christian**, *Forecasting trend output in the euro area*, Hamburg: HWWA - Institut für Wirtschaftsforschung, 2000

**SPAHN, Heinz-Peter**, *From gold to euro: on monetary theory and the history of currency systems*, Berlin: Springer, 2001

**VICTOR, Jean Louis/BRONKHORST, Hojo**, *The euro and European integration = L'euro et l'intégration européenne*, Bruxelles: Presses interuniversitaires européennes; Berne: Lang, 1999

**VICKERS, John**, *Monetary Union and economic growth*, Bruxelles: Banque Nationale de Belgique, 2000

**VISSOL, Thierry**, *The Euro: Consequences for the consumer and the citizen*, Dordrecht: Kluwer Academic, 1999

**WALSH, J.I.**, *European monetary integration and domestic politics: Britain, France and Italy*, London: Lynne Rienner, 2000