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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN
CENTRAL BANK**

Second report on the practical preparations for the future enlargement of the euro area

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1. INTRODUCTION

First and foremost, a country's successful entry into the euro area requires compliance with the "Maastricht" convergence criteria laid down in the EC Treaty. The degree to which the different countries have met the formal requirements allowing them to adopt the euro are evaluated by the Commission and the ECB in their regular Convergence Reports¹.

In addition to these Treaty requirements, a country's entry into the euro area also entails carefully planned and extensive practical preparations, involving both the public and the private sector, as well as the public at large. In its first report on practical preparations (COM (2004)748 of 10 November 2004), the Commission committed itself to report on a regular basis, and at least once a year or whenever justified by specific developments, on the state of these preparations.

This report notably presents the target dates which Member States have set for themselves for the adoption of the euro, the current state of practical preparations at national and Community level, and the state of public opinion in the recently acceded Member States. The present report is not linked to the Convergence Reports nor does it stem from any legal or other obligation.

A Commission staff working paper, drawn up by the Commission services, is attached to this report, providing more technical details on the preparations.

2. CURRENT STRATEGIES FOR EURO ADOPTION

Twelve of the EU's twenty-five Member States currently form part of the euro area. Denmark and the United Kingdom have a special "opt-out" status. The remaining eleven countries are "Member States with a derogation"², and are expected to adopt the euro once the necessary conditions are fulfilled.

Estonia, Lithuania and Slovenia aspire to adopt the euro on 1 January 2007, less than three years after they joined the European Union on 1 May 2004. All three countries joined ERM-II on 28 June 2004. Cyprus, Latvia and Malta will endeavour to join the euro area one year later, on 1 January 2008. They entered ERM-II on 2 May 2005. Slovakia aims to adopt the euro on

¹ The latest Commission Convergence Report was issued on 20 October 2004 (COM(2004)690). It concluded that none of the eleven Member States with a derogation currently fulfilled *all* the necessary criteria (sustainable public finances, price stability, exchange-rate stability *over the required period*, level of long-term interest rates). In view of the conclusions of its Convergence Report, the Commission decided not to put forward any proposal for abrogating derogations.

² The ten countries which joined the European Union on 1 May 2004 are Member States with a derogation by virtue of Article 4 of the Accession Treaty. Sweden became a Member State with a derogation in May 1998.

1 January 2009. Practical preparations in all these countries have been initiated. National changeover plans have either been approved or are under preparation.

The Czech Republic and Hungary aspire to join the euro area in 2010. Poland and Sweden have no target date for the time being.

Just a few years after having joined the EU on 1 May 2004, the first recently acceded Member States are already aspiring to join the twelve countries currently forming part to the euro area. If current plans materialise, the euro area will enlarge with nine more countries in four successive steps between 2007 and 2010. Its population will enlarge from 309 million people to 345 million, and its aggregate GDP will increase by around 3.7 %. If all current Member States with a derogation were to be part of the euro area, its population would increase by an additional 47 million people, and its GDP by a further 6.2%.

3. THE STATE OF PREPARATIONS AT NATIONAL LEVEL

This Section presents the salient features of the existing national strategies and plans. They will be commented on in the light of the main lessons learned from the past experience (cf. the first report on practical preparations issued last year).

Annex 1 summarises the state of national preparations. It is largely based on information made public by the countries concerned. Annex 2 provides a synoptic view of the state of preparation with respect to the main elements of the changeover.

3.1. Adoption of the changeover plans

All seven Member States aspiring to adopt the euro between 2007 and 2009 have established the institution or changeover board in charge of preparing and co-ordinating the national changeover. Four countries (Estonia, Lithuania, Slovenia and Slovakia) have adopted national changeover plans. The state of preparations is quite uneven between countries. In general, its pace needs to be stepped up.

Slovenia adopted its first national changeover plan in January 2005. Practical preparations are generally advancing well, while certain aspects (e.g. frontloading and sub-frontloading arrangements) will need to be further strengthened. The implementation of this plan should continue to be monitored closely. Estonia and Lithuania adopted the first versions of their national changeover plans in August and September 2005, respectively. Both countries will definitely need to accelerate ongoing preparations, while closely associating all economic sectors and actors most directly concerned by the changeover.

The situation in Cyprus, Latvia and Malta also causes some concern since preparations are still in a preliminary stage and need to be stepped up. In all three countries, the first version of their changeover plan, normally foreseen before the end of the year, should be adopted as soon as possible in order to provide specific and timely orientations to public and private operators as soon as possible.

The situation in Slovakia is satisfactory since a comprehensive national plan has been approved on a timely basis, providing clear guidance to all sectors and actors involved in the country's practical preparations, thereby encouraging and facilitating the transition of both the public and private sector. The plan will be updated on a regular basis.

Practical preparations in the Czech Republic, Hungary and Poland are in a very preliminary stage. Preparations in Sweden are stalled in practice since the negative outcome of the referendum of 14 September 2003.

3.2. Contents of the changeover plans

Most changeover plans focus on the cash changeover. Other key aspects (the changeover of public administrations, national legislation, etc.) generally receive much less attention.

The cash changeover constitutes the most visible part of a country's changeover to the euro. It involves all enterprises, public administrations as well as the general public and deserves the careful planning and preparation devoted to it. However, the conversion of administrative, financial, budgetary and accounting systems in the public and private sector constitutes the most costly and time-consuming part of the transition.

The national changeover plans should identify the most critical and complex systems requiring either long lead times or substantial resources for conversion. They should assess both the human resources involved (e.g. in man/years) and the budgetary resources needed. In addition, budgetary appropriations should be set aside to cover all specific changeover costs of the public sector (conversion of IT systems, information campaigns, etc.)

3.3. The changeover scenarios

The “big bang” approach is the favoured scenario, in combination with a short period of dual circulation.

The “big bang” scenario implies that euro banknotes and coins immediately become legal tender upon the country's adoption of the euro. In addition, most countries favour a short period of dual circulation (usually two weeks). This is consistent with the first-wave experience, where national banknotes and coins were quickly withdrawn, particularly in the countries which were well prepared.

After the period of dual circulation, citizens and enterprises can continue for a certain period to exchange their legacy cash at banks without cost. The central bank will in most countries exchange the national currency into euro without any cost or time limit.

3.4. Dual circulation

Several plans provide for early and substantial frontloading³ and sub-frontloading, while the withdrawal of legacy cash is generally neglected.

Estonia and Slovakia have already adopted specific arrangements for the frontloading of banks and the sub-frontloading of retailers and other businesses, usually several months before €-day. Lithuania and Slovenia will have to set ambitious objectives for their frontloading and sub-frontloading activities, otherwise a short period of dual circulation might be untenable. Deferred debiting rules should ensure that banks and enterprises are not discouraged from ordering euro cash at an early stage.

Shops are generally expected to give change only in euro as from €-day, although it often remains unclear how this principle is going to be implemented. A swift and complete changeover of ATMs to the euro is generally foreseen.

Except for the coin collection campaign mentioned in the Estonian plan, little attention is paid to the return of national currency cash. The massive backflow of national currency banknotes and

³ “Frontloading” refers to the advance supply (before €-day) by the central bank of euro banknotes and coins to banks since these institutions play a central role in injecting cash into the economy. Banks will in turn “sub-frontload” part of these notes and coins to retailers and other businesses in order to ensure that they can start to give change in euro as from €-day.

coins however caused major logistical difficulties in the first-wave countries, leading to significant delays in the shipping and counting of national currency notes and coins and in the crediting of accounts. Future entrants should properly anticipate this problem.

3.5. Consumer protection

The latest Eurobarometer surveys show that 75 % of citizens in the recently acceded Member States express fears of having to pay abusive prices during the changeover. The four existing changeover plans which have been adopted so far (Estonia, Lithuania, Slovenia and Slovakia) rightly pay considerable attention to consumer protection aspects, although it should at the same time be recognised that the overall impact of the cash changeover to the euro on prices appeared minimal during the first-wave experience (it was estimated at between 0.1 and 0.3%) and was rather linked to citizens' erroneous perception of such price rises⁴.

The four plans mentioned above provide for mandatory dual price displays for a certain duration, not only in shops but often also on related items (bank statements, product catalogues, etc.). The total duration of this obligation varies considerably from one country to another: 4 months in Lithuania, 12 months in Estonia and 16 months in Slovenia. In Slovakia, the obligation starts one month after the fixing of the conversion rate and lasts until one year after the adoption of the euro, followed by a 6-month period of voluntary dual display. In all four countries, the public sector is expected to show exemplary behaviour in fair pricing by rounding amounts to the advantage of the citizen.

Monitoring of price evolutions by public institutions (with the possible involvement of certain consumer organisations) is foreseen in the Estonian and Slovakian plans. The results will be reported to the public on a regular basis. Consumers will be able to report possible abuses.

Other useful means of avoiding undue price rises and the perception thereof receive much less attention. For example, current plans contain no mention of possible agreements concluded at national level with representative retail organisations in order to guarantee fair pricing practices. Similar commitments made at the level of the individual retailers (e.g. "fair-pricing" stickers) are currently only being considered in Lithuania.

3.6. Supply of euro banknotes and coins

Euro-area entrants can start producing euro banknotes and coins as soon as the Council lifts the country's derogation. As regards euro banknotes, the ECB has decided that these countries will be able to borrow the necessary volumes of euro banknotes from the Eurosystem and, as part of the pooling arrangement, pay them back after the changeover with euro banknotes produced by their own supply arrangements.

Several countries have a national mint (Czech Republic, Lithuania, Hungary, Poland and Slovakia) which will produce the entirety or part of the country's euro coin requirements. The other countries will order the necessary volumes of euro coins abroad. In both cases, all preparatory activities, including test strikes of the euro coins with the country's national side, can be completed before the decision on the country's entry into the euro area has been taken. The process for the selection of the national side has been completed in three countries (Estonia,

⁴ Detailed statistical analysis conducted by Eurostat has shown that significant price rises have indeed occurred in certain service-related areas (restaurants, cafes, hairdressers, movie theatres and sporting services), which only represent a very minor part of households' overall consumption and hence only had a marginal impact on the overall HICP consumer price index. Since such items are consumed on a regular basis, they however strongly influenced consumers' perception of inflation. See also: http://epp.eurostat.cec.eu.int/cache/ITY_PUBLIC/2-18062003-AP/EN/2-18062003-AP-EN.HTML

Lithuania and Slovenia: see Annex 3), is being finalised in Latvia and has been launched in Cyprus and Slovakia.

3.7. Information and communication

Adequate information and communication is essential to enable the public to switch over to the euro with complete confidence. The experience gained in the previous communication campaigns will provide guidance for the communication activities in the recently acceded Member States.

National campaigns should start well before the introduction of the euro and extend somewhat beyond the end of the dual circulation period. In countries intending to introduce the euro in 2007 or 2008, there is thus little time left to prepare and implement a fully-fledged communication campaign.

The countries expecting to form part of the euro area as from 1 January 2007 (Estonia, Lithuania and Slovenia) drafted their communication strategies in mid-2005. These plans are very ambitious, despite the short time span for implementation. The campaigns are scheduled to start in the last quarter of 2005 and continue till June 2007. The most intensive part of the campaign will start in September 2006 until the end of the dual circulation period and will be multimedia and multi-disciplinary in nature. As €-day approaches, TV and radio will become the key communication tools towards the general public.

Cyprus and Malta are still in a preparatory stage, while Latvia should start preparations as soon as possible. Slovakia has already produced a first draft communication strategy. The Czech Republic, Hungary and Poland will start planning their information and communication activities once the practical preparations have been initiated.

4. THE PREPARATIONS AT COMMUNITY LEVEL

Ongoing preparations at Community level mainly cover three specific areas: legislation, euro coin designs, and information and communication policy.

4.1. Preparing the Community legal framework

Council Regulation (EC) No 974/98 governs the introduction and the use of the euro in the eleven Member States which established the euro area on 1 January 1999. It was amended in June 2000 in order to allow Greece to join the euro area in 2001. On 2 August 2005, the Commission adopted a proposal for amending this Regulation (COM (2005)357), in order to prepare and adjust the legal framework for all countries adopting the euro in the future. Besides introducing a number of technical adaptations, the proposal creates necessary leeway by allowing for different changeover scenarios than the one applied for the first twelve euro-area Member States.

The Commission proposal contains three types of transition scenarios, and each Member State concerned would be able to choose the most appropriate one for its specific situation:

- (i) a “Madrid-style” scenario including a transitional period comparable to the one which was applied in the first-wave countries. Under this scenario, there is a transitional period between the adoption of the euro as the national currency and euro banknotes and coins becoming legal tender. The length of the period is to be decided by the Member States concerned;

- (ii) a “big bang” scenario, whereby euro banknotes and coins are introduced immediately upon adoption of the euro as the country’s currency (i.e. no transitional period);
- (iii) a “big bang” scenario with a “phasing-out” period, during which references to the national currency in new legal instruments would still be allowed in the relevant country for a period of one year at most⁵ after the “big bang”.

The proposal moreover foresees that banks will be required to exchange banknotes and coins denominated in the national currency for euro banknotes and coins free of charge during the dual circulation period, subject to certain ceilings. This practice was already recommended by the Commission in the past and widely applied, and will now become a general obligation⁶.

4.2. The designs of the common and national sides of the euro coins

The *common side* of the bi-colour coins (1- and 2-euro) and the “Nordic Gold” coins (10-, 20- and 50-cent) currently represents the European Union before it was enlarged on 1 May 2004 and only depicts 15 of the 25 EU Member States. Following a Recommendation from the Commission, the Ecofin Council decided on 7 June 2005 that the modified designs of the common side should depict a geographical representation of Europe (see Annex 4). All technical and design work should be completed in time for new euro-area entrants to strike and issue their euro coins with the new common side already from 2007.

The designs of the *national sides* are selected by each individual country. The Ecofin Council however agreed on 7 June 2005 to apply some common guidelines in order to strengthen the euro coinage system. In view of the increasing number of national sides, it was decided that future national sides should bear a clear indication of the issuing country (or an abbreviation of it) so that the origin of each coin can be easily identified by interested coin users. Moreover, the denomination of the coin and/or the name of the currency (euro) should not be repeated on the national side, unless a different alphabet is used, since both elements already appear on the common side. Existing design features for the national side (twelve stars surrounding the design and the presence of a year mark) will continue to be applied. Member States agreed to inform each other in advance before adopting new designs.

4.3. Information and communication policy at Community level

The Commission Communication on the implementation of an information and communication strategy on the euro and Economic and Monetary Union (COM (2004)552) provides the framework for communication activities at Community level. This strategy is governed by the principles of decentralisation, subsidiarity, coordination and partnership. The strategy includes:

- partnerships between the Commission and the Member States;
- twinning programmes;
- networking, information relays and other natural partners;

⁵ This period can be further reduced by national law, and moreover be confined to certain types of legal instruments or to legal instruments adopted in certain fields. In any event, all payment operations – both cash and non-cash – will be exclusively carried out in euro.

⁶ The Commission’s proposal is currently being discussed by a Council working group. The adoption of the text by the Council is expected in the near future, possibly before the end of the year.

- conferences and seminars;
- opinion polls;
- external information activities;
- publications and other information products.

The Commission expects to sign partnerships in the last quarter of 2005 with Estonia, Slovenia and Lithuania. Malta, Latvia and Cyprus are expected to follow soon with a request to negotiate partnerships with the European Commission.

Seven different twinning projects between recently acceded Member States and Member States from the euro area are currently under way, building on the expertise of countries that have already introduced the euro.

Various publications were prepared on the euro and EMU, notably a guide for SMEs in the newly acceded Member States entitled “Fit for the euro!”, proposing good practices and advice for successfully preparing the changeover to the euro. A comprehensive series of training seminars for journalists, particularly those from the recently acceded Member States, was launched on EMU, the euro and its introduction and the Community’s economic policies in general. The Commission is also in the process of preparing a series of conferences in the new Member States. Furthermore, opinion surveys are being carried out in both the recently acceded Member States and the euro area, providing important information on the public’s views on the euro and EMU. This will help the Commission and the new Member States to further fine-tune their strategies.

5. THE STATE OF PUBLIC OPINION IN THE RECENTLY ACCEDED MEMBER STATES

The second Eurobarometer survey on public opinion in the newly acceded Member States, concerning their attitudes to and knowledge of the introduction of the euro, was conducted by EOS Gallup in September 2005, one year after the first one, polling over 10 000 citizens.

5.1. Citizens want to be better informed

The level of interest in the introduction of the euro is still rather low, with only 48% of respondents declaring an interest and 49% being uninterested. These results are no doubt influenced by the remaining uncertainties on the euro introduction dates in the individual countries.

Knowledge among the general public about the euro and the conditions for its adoption remains relatively low. Most of those polled (58%) are unaware that the adoption of the euro is a mandatory step for their country, and do not know how many countries are already in the euro area. However, a majority of respondents know the target date for the introduction of the euro in their country and most of them are familiar with euro banknotes and coins.

Half of the respondents (51%, + 3%) do not consider themselves well informed about the euro, but would like to be properly informed well before the single currency is introduced in their country. As in 2004, a majority of the citizens (86%) wish to be informed sooner rather than later. As a source of information, the majority of respondents put most trust in their national central bank (62%), far ahead of any other institution (only 31% trust their government or

national and regional authorities and 23% the European institutions). Citizens in these Member States have a preference for information campaigns based on TV spots (73%) or newspaper advertisements (73%), followed by radio spots (64%) and leaflets and brochures (64%). Most citizens want information campaigns to focus on the practical implications of the euro (their salaries, bank accounts, etc.) and on how to prevent cheating in the currency conversion. The dual display of prices is seen as the most essential tool for preparing the population for the new scale of values.

5.2. General attitude towards the euro

The consequences of the introduction of the euro are perceived to be less positive than in 2004. 38% of the citizens believe that the introduction of the euro will have positive consequences (a decline of 6% compared to 2004) at national level, while 46% (+5%) believe that it will have negative consequences. While 40% of respondents felt in 2004 that the consequences would be positive at personal level, that figure diminishes to 36% in 2005. Furthermore, the proportion of those anticipating negative consequences increases from 44% to 49%. The gap between citizens declaring themselves to be happy that the euro will replace their national currency (37%) and those who say that they are unhappy about it (53%) has increased from 5 points in 2004 to 16 points in 2005. Still, in some Member States (Hungary and Slovenia) a majority of citizens is happy with the euro replacing the national currency.

Concerning the time frame for adopting the euro, 17% of respondents in these ten countries indicate that they would like the euro to become their currency as soon as possible, while 32% respond that some time should elapse before it is adopted. A growing relative majority (46%, an increase of 6%) believes that it should be adopted as late as possible. However, citizens continue to be as aware as in 2004 of the practical advantages of the euro, with 92% and 80% respectively recognising its convenience for travelling and making purchases in the euro area, and 74% acknowledging that it eliminates the need for currency exchange inside the euro area. A majority of respondents (51%) does not believe that the changeover will cause them any major inconvenience. Nevertheless, the fear of being cheated or having to pay abusive prices during the changeover has increased slightly in one year (from 71% to 75%) and 48% of people continue to believe that the introduction of the euro will increase inflation while only 24% believe that the euro will help to maintain price stability.

5.3. Main lessons from the survey

The general perception of the introduction of the euro remains unsatisfactory, while the level of knowledge remains roughly the same. This may be partly explained by the current stalemate on the European Constitution resulting from the negative referenda in two Member States, the ongoing discussions on the EU Financial Perspectives, as well as by specific domestic factors. The positive perception of the practical consequences and advantages of the euro indicate that the results of the opinion poll might underestimate the support for the euro. The socio-demographic breakdown of the results shows that men, young people and educated and urban populations are much more in favour of the euro than the rest of the population.

There is little doubt that a part of the population is emotionally attached to the national currency, as was the case in the first-wave countries. Support for the euro in the Member States now forming part of the euro area increased markedly after the launch of major information campaigns.

The citizens in the newly acceded Member States need more information on the euro and they would like to be prepared well in advance of the changeover. Major information campaigns will help to increase knowledge among citizens and support in favour of the euro.

6. CONCLUSION

Out of the eleven EU Member States with a derogation, nine have set a target date for the adoption of the euro. Four countries have adopted the first version of their national changeover plan and three of them have adopted their communication strategies.

The state of progress in the different countries is quite uneven although in general the pace of ongoing preparations will need to be stepped up if the countries want to be ready in time, particularly if the “big bang scenario” is implemented as intended by most Member States, since it does not allow a transitional period for enterprises and public administrations to complete their preparations.

The state of public opinion vis-à-vis the euro in the recently acceded Member States remains unsatisfactory. This constitutes an additional reason for implementing comprehensive communication programmes.

STATE OF PRACTICAL PREPARATIONS (September 2005)

	Czech Republic	Estonia	Cyprus	Latvia
National target date for euro adoption	1 January 2010 ^(*) (*) Preliminary date	1 January 2007	1 January 2008	1 January 2008
ERM II entry		28 June 2004	2 May 2005	2 May 2005
National co-ordinating institution		The National Changeover Committee, chaired by the Secretary General of the Ministry of Finance, created on 27/01/05	Joint coordination by the Minister of Finance and the Central Bank of Cyprus, created on 29/12/04	The Steering Committee for the preparation and coordination of the euro changeover was established on 18 July 2005
Approved National Changeover Plan	The Czech Republic's Euro Accession Strategy was approved by the Government in October 2003 http://www.cnb.cz/euro_index.php	First draft of euro adoption plan was approved on 1 September 2005 http://www.fin.ee/index.php?id=13324		A report on the introduction of the euro was approved by the government on 21 June 2005. The National Changeover Plan will be approved in November 2005.
Type of scenario		Big-Bang	Big-Bang	Big-Bang
Dual circulation period		2 weeks	1 month	2 weeks
Exchange of national currency		Commercial banks (banknotes and coins): at least 6 months free of charge. Central Bank (banknotes and coins): indefinitely	The central bank will exchange banknotes for 10 years and coins for 2 years.	The central bank will exchange without time limit.
Frontloading and sub-frontloading		Frontloading from September 2006; sub-frontloading also foreseen.	November – December 2007	December 2007
Dual display of prices		Compulsory: 6 months before and after €-day		October 2007 till June 2008
Design of the national side	Competition under consideration	Design selected and published December 2004	Competition launched	In final stage
Nr of different coin designs		1 design	3 designs	4 designs
National mint	Yes	No	No	No
Estimation on the need for banknotes and coins	230 million banknotes and 950 million coins	150-200 million coins		87 million banknotes and 300 million coins
National law adaptations		Umbrella law under consideration		
Communication strategy		Yes, endorsed by the National Changeover Committee on 21/06/05	In process	
Partnership agreement		In process		
Twinning agreement			Between IE – MT – CY: communication and information strategy; between GR – CY: technical issues related to the changeover	

STATE OF PRACTICAL PREPARATIONS (September 2005)

	Hungary	Malta	Poland	Slovenia
National target date for euro adoption	1 January 2010	1 January 2008	Not decided yet	1 January 2007
ERM II entry		2 May 2005		28 June 2004
National co-ordinating institution	Preparatory work is ongoing in the Ministry of Finance and Magyar Nemzeti Bank (Central Bank of Hungary).	Two Committees appointed on 13/06/05: a Steering Committee and a Euro Changeover Committee reporting to it	Inter-institutional working group MoF-NBP	The Coordinating Committee for Technical Preparations to Introduce the Euro was created in July 04.
Approved National Changeover Plan				A Masterplan for the Euro Changeover was approved in January 2005 http://www.bsi.si/html/eng/projects/euro/index.html
Type of scenario	Big-Bang with possible phasing out features			Big-Bang
Dual circulation period	1 month			7 days
Exchange of national currency				Commercial banks exchange banknotes and coins free of charge until 1 March and the Central Bank without time limit
Frontloading and sub-frontloading				
Dual display of prices				From 1 March 2006 till 30 June 2007
Design of the national side			Public survey	Approved
Nr of different coin designs				8 designs
National mint	Yes	No	Yes	No
Estimation on the need for banknotes and coins			Between 4 and 5 billion coins	74 million banknotes and 235 million coins
National law adaptations				Umbrella law
Communication strategy		In process		Endorsed by Bank of Slovenia on 19/05/05 and by the government on 2/06/05
Partnership agreement				In process
Twinning agreement	Between AU – HU: communication and information strategy	Between IE – MT – CY: communication and information strategy;	Between DE – PL: communication and information strategy and practical issues	Between NL – SI – LT : communication and information strategy

STATE OF PRACTICAL PREPARATIONS (September 2005)

	Lithuania	Slovakia	Sweden
National target date for euro adoption	1 January 2007	1 January 2009	Not decided yet
ERM II entry	28 June 2004		
National co-ordinating institution	Commission for the Coordination of the Adoption of the Euro in Lithuania, established on 30/05/05	Ministry of Finance	
Approved National Changeover Plan	The first version of the National Euro Adoption Plan was approved by the government on 27 Sept 2005	The National Changeover Plan was approved on 6 July 2005 http://www.nbs.sk/PRESS/PR050707.HTM	
Type of scenario	Big-Bang	Big-Bang	
Dual circulation period	15 days	16 days	
Exchange of national currency	Commercial banks: free of charge during 60 days after €-day. Central bank: free of charge for an unlimited period.	Commercial banks exchange banknotes until end 2009 and coins until June 2009 (free of charge). The Central Bank exchanges banknotes without time limit and coins for 5 years.	
Frontloading and sub-frontloading	Frontloading of euro banknotes to commercial banks by 20 December 2006 at the latest and of euro coins by 1 October 2006 at the latest.	One to 4 months prior to €-day	
Dual display of prices	From 60 calendar days before €-day until 60 days after €-day (compuls.)	Compulsory: from one month after fixing of conversion rate till one year after euro adoption. Voluntary: for an additional 6 months	
Design of the national side	Approved	Competition launched	
Nr of different coin designs	3 designs		
National mint	Yes	Yes	
Estimation on the need for banknotes and coins	118.3 million banknotes and 290 million coins		
National law adaptations	The draft Law on the Adoption of the Euro is prepared.	Umbrella law and a second and a third group of laws under consideration	
Communication strategy	Approved by the government on 27 September 2005	In process	
Partnership agreement	In process		
Twinning agreement	Between NL – SI – LT : communication and information strategy Under consideration: between BE – LT on tax and debt issues	Between AU – SK: communication and information strategy; Between BE – SK: technical issues related to the changeover	

LIST OF RELEVANT CHANGEOVER CHARACTERISTICS

X: Approved or established

P: In progress

	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK	SE
National target date	X	X	X	X	X	X	X		X	X	
National Changeover Plan		X			X				X	X	
National Changeover Committee		X	X	X	X		X		X	X	
Type of scenario		X	X	X	X				X	X	
Length of dual circulation period		X	X	X	X	X			X	X	
Exchange at commercial banks after dual circ.		X			X				X	X	
Exchange at central bank after dual circ.		X	X	X	X				X	X	
Frontloading of financial institutions		X		X	X					P	
Sub-frontloading of retailers and general public		X			X					P	
Deferred debit										P	
Piggy coin operations		X									
Arrangements for bank opening hours										X	
Loading of ATMs										P	
Denominations of notes in ATMs											
Transport and storage for euro cash										P	
Transport and storage for legacy cash										P	
Change only given in euro by retailers					X					X	
Euro coins kits for retailers											
Euro coins kits for the general public											
Design of national side of the euro coins		X	P	P	X				X	P	
Supply arrangements for euro coins		P			P					P	
Adaptations of national law		P			P				P	X	
Dual display of prices before €-day		X		X	X				X	X	
Dual display of prices after €-day		X		X	X				X	X	
Dual display of utility bills		X							X	X	
Dual display of civil servants' wages											
Voluntary dual display of prices										X	
Agreements on price stability					X					X	
Formalised fair-pricing agreements					X						
IT preparations		X								X	
Training for cash handlers		X								X	
Accounting adaptations		X								X	
Share capital conversion		X								X	
Rounding rules in legislation		X							X	X	
Eval. of the costs involved for the public sector											
Communication strategy		X	P		X		P		X	P	
Partnership agreement		P			P				P		
Twinning agreement			X		X	X	X	X	X	X	

Euro coin designs of the future national side of Estonia



**Bi-metallic coins
(1- and 2-euro)**



**Nordic Gold coins
(10-, 20- and 50-cent)**



**Copper plated coins
(1-, 2- and 5-cent coins)**

Euro coin designs of the future national side of Lithuania



**Bi-metallic coins
(1- and 2-euro)**



**Nordic Gold coins
(10-, 20- and 50-cent)**



**Copper-plated coins
(1-, 2- and 5-cent)**

Euro coin designs of the future national sides of Slovenia



2-euro coin



1-euro coin



50-cent coin



20-cent coin



10-cent coin



5-cent coin



2-cent coin



1-cent coin



**New common face designs
of the 1- and 2-euro coins**



**New common face designs
of the 10-, 20- and 50-cent coins**