



MID-TERM EVALUATION OF THE CUSTOMS 2020 PROGRAMME

Executive summary



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The programme

The Customs 2020 programme, governed by Regulation (EU) No 1294/2013¹, is the EU's **on-going cooperation programme in the field of customs**. It runs from 1 January 2014 until 31 December 2020 and enables national customs administrations to cooperate and exchange information and expertise. Ultimately, it aims to support the functioning and modernisation of the Customs Union (particularly regarding implementation of the Union Customs Code), and thereby to strengthen the single market. There are currently 34 countries that participate in the programme (the 28 EU Member States and six candidate and potential candidate countries). The programme has a budget of about EUR 523 million for the 2014-2020 period and supports three types of eligible activities to achieve these aims, namely:

- (a) **Joint actions (12.8% of funding so far)**: meetings of customs officials and other stakeholders in various formats to enhance the exchange of knowledge and experiences between customs authorities and officials of the participating countries;
- (b) **Customs European Information Systems (84.6% of funding so far)**: IT systems to facilitate the exchange of information and access to common data; and
- (c) **Common training activities (2.6% of funding so far)**: eLearning modules and other training to support the necessary professional skills and knowledge relating to customs.

National **customs administrations are the programme's main beneficiaries**. Economic operators benefit from the programme mostly indirectly thanks to more efficient customs procedures, but can also participate in the joint actions and routinely use some of the Customs European Information Systems supported by the programme.

The **Commission manages Customs 2020 centrally**, with the assistance of the Customs 2020 Committee, composed of delegates from each Member State. Programme coordinators in each country help manage the involvement of their officials and carry out other organisational functions. Annual Work Programmes define priorities and implementing measures for each year, as well as thematically linked sets of activities called 'projects'.

The evaluation

The mid-term evaluation of the programme was carried out in 2017-2018. As defined in the Regulation, the purpose of the evaluation was to **assess the programme's performance so far** in terms of its relevance, effectiveness, efficiency, coherence and EU added value, and to **make recommendations** for future improvement. In this way, the evaluation served both accountability and learning purposes.

The breadth of the programme's activities posed an important methodological challenge, in that it would not have been possible, within the available resources and timeframe, to cover all activities in the detail needed to draw robust conclusions. Moreover, as much of the programme's support plays a contributing role alongside other factors (such as the actions of national administrations), it is difficult to assess without in-depth qualitative

¹ Regulation (EU) No 1294/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme for customs in the European Union for the period 2014-2020 (Customs 2020) and repealing Decision No 624/2007/EC (Customs 2013).

research. For these reasons, the evaluation was split into three complementary elements:

- A **programme assessment** that covered the entire programme to the extent possible, based on an in-depth review of monitoring data (which covered financial, implementation and performance aspects) and other documentary sources, written questionnaires for national customs authorities and interviews with managers and users of the programme from the Commission and national administrations.
- **Thematic case studies** that examined in much more detail seven of the projects defined as priority areas in the Annual Work Programmes. These helped the evaluation understand whether and how Customs 2020 is contributing to increased collaboration, the work of national administrations and the development and implementation of new processes, procedures and policies. The case studies were based mainly on interviews in seven participating countries with customs and other officials, in addition to a review of relevant documentation and scoping interviews with DG TAXUD. The fieldwork sample included Austria, the Czech Republic, Estonia, the Netherlands, Portugal, Serbia and Sweden.
- A **survey of economic operators** that sought to gather, among other things, their views as users of the publicly available IT systems and eLearning modules.

Overall the evaluation was able to collect extensive and meaningful data that allow for confidence in the results. However, it also encountered some challenges. These were mitigated to the extent possible, with remaining limitations given due consideration.

Key findings and conclusions

Relevance

At root, relevance refers to the *need* for an initiative. The evaluation explored this in terms of the needs of national customs administrations, economic operators and European citizens.

At a general level, the findings **validate the relevance of the Customs 2020 specific objective²** by identifying clear needs for the secure and rapid exchange of information, cooperation between customs administrations and enhancement of administrative capacity. These needs stem from the growing scope of EU customs law, cross-border issues related to customs, e.g. once goods are cleared for free circulation in one Member State they can move without checks throughout the EU, and need for more convergence between countries in line with the provisions of the Union Customs Code. There has been universal agreement among stakeholders that the programme is needed to facilitate this exchange and cooperation, and that ambitious policies would be difficult to agree or implement without such support. Thus, the programme's role in fostering convergence of approaches, administrative procedures and application of rules is highly relevant.

The programme successfully addresses also the perceived direct needs of **national administrations** in participating countries. In particular, networking and exchange of ideas are seen as important aspects of all programme activities. The need for and relevance of the Customs European Information Systems is self-evident, as they in many cases define the possibility for the exchange of information required by EU law.

² The specific objective of the Customs 2020 programme is related to protecting the financial and economic interests of the Union (including combating fraud and protecting intellectual property rights), increasing safety and security, protecting citizens and environment, improving the administrative capacity of customs administrations, and strengthening competitiveness of businesses.

Supporting activities like training sessions on IT are also universally appreciated. Demand among participating countries for the eLearning modules is also high, in particular to support the uniform application of EU law, most importantly the Union Customs Code.

Regarding **economic operators**, the aims and activities of the programme are consistent with needs to minimise administrative burdens and maximise legal certainty. Much of this is indirect, since making national customs administrations work and share information better benefit economic operators in the form of more efficient customs processes. Similarly, the eLearning modules support a harmonised application of EU law. More directly (as explained in more detail under effectiveness below), economic operators can use certain Customs Information Systems as part of simplified and standardised customs procedures, take part in some joint actions and participate in certain eLearning modules.

Although the programme does not involve **European citizens** directly, it addresses issues related to safety and security and trade facilitation that are important to them, such as fighting smuggling and fraud and protecting citizens from security threats.

Effectiveness

Effectiveness in evaluation terms considers the performance of an intervention in terms of its objectives and the factors that play a role in that. For the Customs 2020 programme, we examined effectiveness from three perspectives. Firstly, we assessed the ability of programme activities to reinforce cooperation and information-sharing between customs authorities. Secondly, we considered the involvement and participation of economic operators in the programme. Thirdly, we analysed the programme's contribution to its overall objective, which is to protect the financial and economic interests of the Union (including combating fraud and protecting intellectual property rights), increase safety and security, protect citizens and the environment, improve the administrative capacity of customs administrations, and strengthen the competitiveness of businesses.

By providing a framework and the technological means needed to work together, the **Customs 2020 programme has played an important role in reinforcing cooperation** between customs authorities. The different types of joint actions have met participants' expectations and achieved their intended results. In particular, they have helped administrations to identify, disseminate and implement best practices, leading in turn to the practical uptake of working methods in customs administrations and a more harmonised approach to the application of EU customs law.

Customs European Information Systems help Member States to communicate with each other securely and efficiently and increase collaboration. More specifically, the IT architecture, namely the Common Communication Network/Common Systems Interface (CCN/CSI), was found to be an essential platform for secure customs information- and data-sharing. The central systems managed and operated by the Commission³ were considered similarly useful by national customs administrations. Having been in operation for a long time, these IT systems underpin core customs functions such as goods classification and tariff management. Views were also very positive about most of the systems for EU movement control, such as the New Computerised Transit System NCTS and Export Control System ECTS.⁴ Other systems are

³ The centrally operated systems include the TARIC database for integrated Tariff in the European Union, the EBTI-3 data base for European Binding Tariff Information, the EORI system for Economic Operators Registration and Identification Number, the Customs Risk Management System CRMS or the COPIS system for anti-Counterfeit and anti-Piracy Information.

⁴ While opinions were mixed on the Import Control System ICS, it should be noted that this system is outdated. Intensive work is taking place on a successor system (ICS2), which will be launched during the next programming period.

aimed at a more limited audience but are deemed indispensable to the specialised customs departments who use them⁵.

Although the proportion of the programme budget dedicated to training is small, it has an important and unique role, complementing the joint actions and IT systems. In particular, national customs administrations saw value in the way training helps administrations to use given Customs European Information Systems. The eLearning also helps officials to apply EU customs law more uniformly, by teaching about legal provisions and terminology in a harmonised way. The training also provides individual benefits such as increased knowledge and understanding.

Economic operators benefit indirectly but significantly as participants in some joint actions, where their input can help ensure that their views are taken into account for new initiatives. They are also users of eLearning modules, mostly the Union Customs Code courses. These were downloaded from the EUROPA site over 11 800 times in 2017, showing a high level of use.

Still, the main benefits for economic operators come from the use of IT systems, which were praised for helping them to reduce some administrative burdens and simplifying procedures. In particular, economic operators benefit from IT databases that provide various types of information not available elsewhere, including the EU Customs Tariff (TARIC) database and the European Binding Tariff Information (EBTI) database.

With regard to the achievement of the programme's higher-level objectives, the evidence confirmed **adequate progress in relation to different aspects of the specific objective**. Programme actions have been most effective in contributing to protecting the financial and economic interests of the Union and of the Member States, including combating fraud, protecting intellectual property rights and ensuring fair trade and the proper functioning of preferential arrangements. Supported activities were successful at standardising, facilitating and simplifying processes and procedures, pooling expertise, speeding up exchange of vital customs risk-related information and ensuring respect of the EU rules. These achievements in turn contributed to better customs risk management, improved safety and security and the better protection of citizens and the environment.

Programme actions have also succeeded in improving the administrative capacity of customs authorities, in particular in relation to the preparation and facilitation for the formal adoption of the Union Customs Code (including the identification of training needs) and supporting the work of European Customs Laboratories.

There are some areas where the programme's contribution has been less evident. For example, efforts to implement the EU Competency Framework for Customs⁶ have met with problems in getting buy-in from senior leadership in customs administrations when the framework was launched, and limited resources to put the framework in place and adjust it to national contexts. Activities and priorities aimed at strengthening the competitiveness of European businesses have also met with difficulties. This has been partly the consequence of internal delays in specific projects (e.g. in the area of Customs Union Performance Measurement). However, external challenges, such as the lack of support from national customs administrations and economic operators, also held back

⁵ Examples include the NCTS-TIR-Russia, European Customs Inventory of Chemical Substances ECICS or Suspensions or Customer Reference System CRS.

⁶ The EU Customs Competency Framework was developed by DG TAXUD in collaboration with public and private experts from EU Member States, the World Customs Organisation (WCO) and other international sources. The framework, which was finalised in 2014, is composed of a set of methodologies and tools to map and adapt EU Customs competencies and role descriptions for national administrations and businesses with different organisational and structural customs realities.

programme actions in the areas of simplified procedures, authorised economic operators and international co-operation.

Efficiency

Efficiency was assessed in terms of how the programme is structured, its operations and management. The evaluation also considered whether the costs are proportionate to the benefits that the programme has provided to customs administrations and the Customs Union. Regarding the programme's structure, the Customs 2020 programme strikes a good balance between the extent of consultation with national administrations for the programme implementation and a centralised management that coordinates the implementation of the Annual Work Programmes. The involvement of national administrations in the setting of priorities and the decision-making process is instrumental to the functioning of the programme, as it enhances the feeling of ownership among participating countries. For the current period, new features have allowed the programme to operate with a high degree of efficiency. Key changes have included the structuring of annual priorities into thematically linked 'projects', the development of a new system for monitoring progress of programme activities, and the streamlining of platforms for sharing documents and facilitating communications.

Criticism was minor and mainly related to efforts for continuous improvement. For example, the new monitoring system was a big step forward, but was considered too complicated and burdensome to function as an aid to decision-making. Similarly, some concerns were raised in relation to the limited human resources available to adequately respond to programme's requirements, while tools for reporting and sharing information between joint action participants were found not user-friendly enough.

Regarding the ratio of benefits to costs, comparing the findings on effectiveness to spending data and the positive findings on operational efficiency makes a **strong case that the programme overall is effective and efficient**, despite it not being possible to monetise the benefits of each component of the programme. In their different ways, the joint actions, Customs European Information Systems and training activities clearly generate value for the EU and national customs administrations, by helping them to pool resources (and thereby generate economies of scale), enforce EU customs legislation and function more effectively through the sharing of best practices and solutions.

These **benefits are also commensurate with the proportion of the budget allocated** to each aspect of the programme. At 84.6%, this is by far the largest for the Customs European Information Systems. This significant financial cost can be justified not only because the systems have generally been assessed as effective, but also because the systems address clear policy needs. If such systems were not funded through the programme, the Member States would in many cases need to duplicate efforts to produce their own systems at much greater cost. Spending on joint actions represents 12.8% of the budget and consists mainly of travel and subsistence costs for participants. This is relatively minor compared to the substantial and diverse benefits achieved across the spectrum of customs policy and operations. Common training has also achieved major benefits, notably from the eLearning programme to support implementation of the Union Customs Code, despite receiving the smallest budget share (2.6%).

Coherence

Coherence has both an internal dimension, related to how well the programme's many parts fit together, and an external dimension, related to its alignment with other EU policies and programmes. Both were judged positively. **Internal coherence** is ensured by annual programming processes that are objective-driven, with yearly priorities that are aligned with higher-level general, specific and operational objectives of the programme. Its management arrangements have also enhanced synergies and avoided duplications. The Programme Management Team acts as a central coordinator of the

Customs 2020 programme, while several complementary fora, including the Customs Policy Group, the programme's comitology committee, expert groups and the programme's project groups with a coordination function, ensure the participation of national customs administrations and Commission stakeholders. The continuous nature of the programme has also acted as a success factor, by allowing it to consolidate successful features and to gradually improve over time. Effective internal communication and information-sharing features have reinforced the dissemination of programme messages and the use of available communication tools and channels, contributing to increasing synergies and internal coherence.

External coherence of Customs 2020 with the objectives of the Europe 2020 Strategy is supported through the programme's contribution to the improvement of the competitiveness and productivity of the European Union. For example, by supporting the implementation of the Union Customs Code, the programme contributes to simplification of existing procedures that have the potential to facilitate trade and reduce costs for businesses. Through support given to the implementation of the Authorised Economic Operator programme, the Customs 2020 programme facilitates legitimate trade and increases productivity and competitiveness of some businesses. By supporting the implementation of the Action Plan on intellectual property rights, the programme fights against the increasing volume of trade in goods infringing intellectual property rights that threatens jobs, growth, innovation and competitiveness.

The evaluation also found that **the programme is complementary to other EU initiatives**, including Horizon 2020, EU Structural and Investment Funds and Connecting Europe Facility Fund. In addition, relevant links and synergies were also identified with the Single Market Programme, the EU Internal Security Fund and Instrument for Border Management and Visa, the Structural Reform Support Programme, and the Hercule Programme. However, in the eyes of the national authorities, there is room for more dialogue and coordination within other Commission services and EU institutions and underexploited possibilities for cooperation. There seem to be room as well for raising the visibility of the programme and for providing more information on the complementary funding instruments to national customs authorities and economic operators, in particular in relation to the IT systems.

Participation of and cooperation with third countries have expanded in the first three years of the current programming period, with Performance Measurement Framework indicators confirming an increase in the number of third countries participating in or cooperating within the programme's activities.

EU added value

The concept of EU added value refers to the **extent to which an initiative generates benefits over and above what would have resulted** from interventions at local, regional or national level. In the case of the Customs 2020 programme, this was considered in terms of contributions to policy objectives, creating economies of scale, complementing the activities and policies of the Member States and supporting achievements that are sustainable (i.e. long-lasting and not dependent on future EU support).

The Customs 2020 programme has been **effective in providing solutions for problems with a clear EU dimension**. This is anchored in its role as facilitator of cooperation between participating countries, including their national administrations and economic operators. Many of the joint actions were directly supporting implementation of a policy or a plan. By providing mechanisms for discussions, exchange of information, networking between participating countries, Customs European Information Systems and common training, the programme ensures a harmonised approach to the implementation of customs legislation, procedures and rules.

Efficiency gains and costs savings are among the key elements of EU added value when it comes to the IT systems. The evaluation found them to help the national administrations save time and resources, particularly for participating countries with smaller customs administrations and fewer resources. The interoperability and interconnectivity provided through the central systems would be highly impractical and costly to produce through other means. Thanks to the programme, these results have been achieved more effectively and efficiently, saving significant resources for national administrations. The same is true for the common training activities, which provide access to standardised and comprehensive information on the various aspects of the functioning of the Customs Union. Ultimately, the Customs 2020 programme approximates national approaches, establishes trust and creates a single narrative and a shared vision among national customs administrations, all of which are needed for to implement the Union Customs Code.

The IT systems, joint actions and training also have a **tangible value for the economic operators**. The EU added value in this sense is analogous to the utility the economic operators see in the various systems. For example, the TARIC and EBTI databases stood out as sources of information that is difficult to find elsewhere and provided at no extra cost, which is particularly useful when a Member State does not provide much information or for non-EU operators to access customs information.

The added value of the Customs 2020 programme also lies in providing a valuable service to beneficiaries who would otherwise be unable to produce the same results with the same level of quality and consistency. Even though the outputs and results achieved are likely to outlast the current programming period, **reduced or discontinued funding would have negative impacts in the medium-term**, such as the gradual obsolescence and disuse of Customs European Information Systems. The existence of the IT systems and their timely funding are in turn indispensable for many policy areas to function well, allowing information to be exchanged rapidly, in a secured way and in a common format. Other achievements attained in successive periods would also be put at risk as the trust and working relationships formed through the programme fade away.

Given the scale of Customs 2020 operations in terms of the sheer number of joint actions, breadth of topics covered, and their European dimension / pan-European participation in actions and training, it is difficult to assume that similar activities would have been organised at any other level. Without a forum for collaboration and sharing experiences, or a spending programme able to fund common IT systems, it is difficult to imagine the Member States passing legislation that requires such level of harmonisation in the quickly evolving customs environment. Among other things, implementing such legislation without a programme would require substantially higher costs due to the duplication of efforts.

Recommendations

It follows from the above that **the Customs 2020 programme should be continued** in order to consolidate the achievements made so far and to address established needs. The recommendations below offer some ideas that could be used to improve the programme in the future, both during the current funding period and later on and for stakeholders at different levels.

No	Recommendation	Responsible	Timeframe
Programming and design			
1	Make more practical use of the Annual Work Programme projects and consider multi-annual programming. In the short term this could mean more discussion of the projects, while in the longer-term (as is already proposed for the next funding period) multi-annual programming would help increase coordination.	European Commission	Short-term and next funding period

No	Recommendation	Responsible	Timeframe
2	Designate long-term, platform-like joint actions as such, so that appropriate criteria can be defined for funding applications and monitoring of such actions.	European Commission	Next funding period
3	Refine strategy for development and promotion of eLearning modules, so that the training programme addresses identified needs.	European Commission and national administrations	Short-term and next funding period
4	Investigate ways to improve the technological platform for the delivery of eLearning modules, based both on solutions on the market and best practices and synergies from other Commission services and initiatives.	European Commission and national administrations	Short-term and next funding period
5	Improve the procedures for the translation, localisation and updates to eLearning modules. This could lead to quicker localisations and updates, and solutions that are more tailored to the needs of individual countries.	European Commission and national administrations	Short-term and next funding period
Implementation			
6	Increase coordination with other EU programmes, both in terms of operational coordination with the Fiscalis programme and establishing a forum for working with other Commission Directorates-General	European Commission	Short-term and next funding period
7	Optimise the procedures and resources for the implementation of joint actions, so that the workload for available human resources and administrative burdens on different actors are appropriate.	European Commission and national administrations	Short-term and next funding period
Monitoring and reporting			
8	Streamline the monitoring system so it meets actual needs while reducing administrative burdens. This could include both quick fixes like simplified forms and a study to refine and reduce the number of monitoring indicators.	European Commission	Short-term and next funding period
9	Develop a more coherent approach to assessing programme performance to reduce burdens and lead to more purposeful reports.	European Commission	Next funding period
10	Improve reporting and information-sharing tools, so that these can be made more user-friendly while still meeting demands for security and functionality.	European Commission	Next funding period
Communication			
11	Increase senior-level buy-in and political will among national administrations to boost participation and engagement.	National administrations	Short-term and next funding period
12	Communicate more actively about the possibilities of the programme, with national coordinators and other officials taking a more active role in finding out about and spreading awareness of the programme.	National administrations	Short-term and next funding period
13	Review strategy for dealing with economic operators and citizens, with a view to arriving at a common understanding of whether and to what extent actors beyond administrations should be targeted.	European Commission and national administrations	Short-term and next funding period

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